

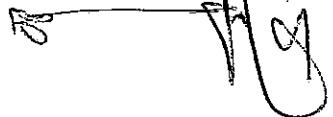
for the year ended June 30, 2010  
Financial statements  
Overstrand Municipality



26 November 2010

Municipal Manager

WZybrands



I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in the notes of these annual financial statements are within the upper limits of the framework envisaged in Section 210 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 66, in terms of Section 126(a) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

#### APPROVAL OF ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2010

#### ANNUAL FINANCIAL STATEMENTS

#### OVERSTAND MUNICIPALITY

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## Statement of Financial Position

Overstrand Municipality

Financial Statements for the year ended June 30, 2010

Figures in Rand

Assets

	Notes	2010	Restated 2009
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Non-current Assets

Investments	3	4,634,802	4,571,367
Other financial assets	4	10,000,000	-
Operating lease asset	5	744,064	754,993
Trade and other receivables from non-exchange transactions	6	30,408,119	42,520,977
Other receivables from non-exchange transactions, including taxes and transfers	7	15,633,554	18,532,823
Consumers debtors	8	35,105,859	36,500,690
Long term receivables	9	31,363	110,099
Cash and cash equivalents	10	19,623,308	11,859,898
Non-current assets held for sale	14	19,298,638	18,851,000
Total Assets		3,120,343,971	3,091,749,896

Non-current Liabilities

Other financial liabilities	15	9,265,081	23,092,373
Trade and other payables from exchange transactions	16	73,540,770	98,698,442
Consumer deposits	17	13,893,478	11,379,540
Retirement benefit obligation	18	1,759,872	1,064,897
Provisions	19	1,922,016	2,894,370
Unspent conditional grants and receipts	20	4,491,632	1,952,424
Provisions		104,872,849	139,082,046

Current Liabilities

Other financial liabilities	15	9,265,081	23,092,373
Trade and other payables from exchange transactions	16	73,540,770	98,698,442
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Provisions		104,872,849	139,082,046

Net Assets

Reserves,	50	315,176,077	315,176,077
Revaluation reserve		1,918,403	3,328,676
Housing development fund		2,446,143,939	2,453,875,839
Accumulated surplus		2,763,238,419	2,772,380,592
Total Net Assets			

## Statement of Financial Performance

Financial Statements for the year ended June 30, 2010

Revenue	Property rates	Service charges	Property rates - penalties imposed and collection	Rental income	Fines	Licences and permits	Other income	Interest received	Total Revenue
	116,200,501	230,908,179	827,811	5,089,324	1,624,455	2,528,628	3,511,569	1,410,817	(123,649,487)
	21	22	21,922,911	292,633,636	8,467,834	5,842,353	5,089,324	44,098,257	(156,843,819)
Employee related costs	26	27	(4,529,711)	(4,270,505)	(101,142,706)	(117,000)	(34,145,424)	(17,526,953)	Impairment loss/ Reversal of impairments
Remuneration of councilors	28	29	(4,529,711)	(4,270,505)	(19,294,616)	(9,507,272)	(4,964,544)	(42,151,209)	Debt impairment
Finance costs	30	31	(19,294,616)	(7,526,953)	(48,925,451)	(42,151,209)	(59,353,373)	(9,308,485)	Bulk purchases
Repairs and maintenance	32	33	(48,925,451)	(4,461,156)	(14,461,156)	(11,817,760)	(11,745,950)	(9,308,485)	Contracted services
Grants and subsidies paid	34		(11,817,760)	(110,827,156)	(110,827,156)	(100,701,283)	(331,290)	(331,290)	General Expenses
General Expenses			(100,701,283)	(397,817,213)	(555,472,545)	7,046,456	19,857,210	19,857,210	Gain / (Loss) on disposal of assets
(Deficit) surplus for the year			2009	Notes	2010	Restated	Figures in Rand	2009	

# Oversstrand Municipality

Financial Statements for the year ended June 30, 2010

## Statement of Changes in Net Assets

Figures in Rand	Share capital / contributions from owners	Revaluation reserve	Housing development fund	Total reserves	Accumulated surplus	Total net assets
Opening balance as previously reported	-	-	3,317,403	3,317,403	422,745,979	426,063,382
Adjustments	-	-	3,317,403	3,317,403	9,087,143	9,087,143
Prior year adjustments	-	-	-	-	431,833,122	435,150,525
<b>Restated balance at July 1, 2008</b>	<b>-</b>	<b>-</b>	<b>3,317,403</b>	<b>3,317,403</b>	<b>431,833,122</b>	<b>435,150,525</b>
Changes in net assets	-	-	-	-	-	-
Surplus for the year	-	-	-	-	29,997,804	29,997,804
Prior period error - Unbundling of PPE	-	-	-	-	1,942,906,937	1,942,906,937
Change in accounting policy - Recognition of Investment Property	-	-	-	-	47,341,200	47,341,200
Change in accounting policy - Recognition of Non-current Assets held for sale	-	-	-	-	18,851,000	18,851,000
Landfill sites Rehabilitation Adjustment	-	-	-	-	(11,515,780)	(11,515,780)
Post Retirement Benefits adjustments	-	-	-	-	(7,366,234)	(7,366,234)
Cleaning up illegal dumping adjustments	-	-	-	-	1,915,999	1,915,999
Movement in self insurance fund	-	-	-	-	(78,465)	(78,465)
Transfer to Housing Development Fund	-	-	-	-	(11,273)	(11,273)
Revaluation and Recognition of land	-	-	11,273	11,273	315,176,077	315,176,077
Accounting errors	-	-	-	-	1,529	1,529
<b>Total changes</b>	<b>-</b>	<b>-</b>	<b>315,176,077</b>	<b>11,273</b>	<b>2,022,042,717</b>	<b>2,337,230,067</b>
Opening balance as previously reported	-	-	265,574,077	3,328,676	268,902,753	2,355,131,237
Adjustments	-	-	-	-	-	-
Prior year adjustments	-	-	49,602,000	-	49,602,000	98,744,602
<b>Restated balance at July 1, 2009</b>	<b>-</b>	<b>-</b>	<b>315,176,077</b>	<b>3,328,676</b>	<b>2,453,875,839</b>	<b>2,772,380,592</b>
Changes in net assets	-	-	-	-	-	-
Surplus for the year	-	-	(1,410,273)	(1,410,273)	(9,881,093)	(9,881,093)
Transfer to Housing Development Fund	-	-	-	-	1,419,540	9,267
Movement in self insurance fund	-	-	-	-	729,653	729,653
Total changes	-	-	(1,410,273)	(1,410,273)	(7,731,900)	(9,142,173)
<b>Balance at June 30, 2010</b>	<b>-</b>	<b>315,176,077</b>	<b>1,918,403</b>	<b>317,094,480</b>	<b>2,446,143,939</b>	<b>2,763,238,419</b>
Note(s)	50					

**Cash Flow Statement**

Financial Statements for the year ended June 30, 2010

**Overstrand Municipality**

Receipts		Cash flows from operating activities	
116,200,501	121,922,911	221,015,936	- Taxation
294,028,467	(153,775,458)	(78,005,898)	- Sales of goods and services
55,679,820	(125,079,717)	(69,353,373)	- Employee costs
6,172,127	57,655,336	(221,533,519)	- Other receipts
29,919,960	(125,079,717)	(160,017,519)	- Suppliers
5,753,469	75,971,659	28,857,915	Interest income
35	36,094,634	62,372,848	Cash generated from operations
9,088,669	(19,294,616)	(78,466)	Finance costs
9,267	729,653	(19,294,616)	Transfers to self insurance fund
-	-	(78,466)	Prior period adjustments
-	-	9,267	Movement in housing development fund
Net cash from operating activities	36,094,634	62,372,848	Cash flows from investing activities
12	(84,059,831)	(127,304,912)	Purchase of property, plant and equipment
12	(31,249,708)	(46,889,057)	Construction of property, plant and equipment
12	7,528,226	(31,290)	Sale of property, plant and equipment
13	(219,695)	(219,695)	Purchase of other intangible assets
12	106,051	53,650,343	Movement in financial assets
12	118,215	53,650,343	Movement in long term receivables
12	(111,651,257)	(111,651,257)	Net cash from investing activities
12	54,527,881	1,158,618	Movement in other financial liabilities
12	57,041,819	76,060,683	Net cash from financing activities
10	(8,601,384)	7,763,410	Total cash movement for the year
10	11,859,898	11,859,898	Cash at the beginning of the year
10	19,623,308	19,623,308	Net increase / (decrease) in cash and cash equivalents

**1.3.3 Defined Benefit Plan Liabilities**  
 Annual Financial Statements.  
 Liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Notes 18 and 20 to the defined benefit obligations of the municipality that were identified in accordance with the requirements of IAS 19. Details of the service awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the defined benefit liability obtained actual valuations of its defined benefit plan liabilities. The described in Accounting Policy 15, the municipality obtains actual valuations of its defined benefit plan liabilities.

**1.3.2 Useful Lives of Property, Plant and Equipment**  
 of the assets are based on industry knowledge.  
 the end of their useful lives, which is determined when the assets are available for use. The useful lives and residual values and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at As described in Accounting Policy 6.2, the municipality depreciates its property, plant and equipment, investment property and financial assets should be impaired. In making the estimation of the impairment loss calculation are provided in Note to the Annual Financial Statements.

**1.3.1 Impairment of Financial Assets**  
 is appropriate. Details of the impairment loss calculation are provided in Note to the Annual Financial Statements.  
 Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year considers the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and which financial assets should be impaired. In making the estimation of the impairment loss calculation is provided in Note to the Annual Financial Statements.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

**1.3 Sources of estimation uncertainty**  
 Management judgment is required when recognising and measuring provisions and when measuring contingent liabilities as set out in notes 20 and 37 respectively. Provisions are discounted where the effect of discounting is material using actuarial valuations.

**1.2.3 Provisions and contingent liabilities**  
 The classification of financial assets and financial liabilities is based on judgment by management.  
 has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is to the buyer the significant risks and rewards of ownership of the goods and when services is rendered, whether the service is provided from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred in making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GAPP as set out in notes 20 and 37 respectively. Provisions are discounted where the effect of discounting is material using actuarial valuations.

**1.2.1 Revenue recognition**  
 Accounting Policy 12.1 on Revenue from Exchange Transactions and Accounting Policy 12.2 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

**1.2 Significant judgments**  
 The following are the critical judgements that have the most significant effect on the amounts recognised in the Annual Financial Statements.

A summary of the significant accounting policies are set out below.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless otherwise explicitly stated. The details of any changes in accounting policies and comparative restatements are explained in the relevant policy.

**These annual financial statements have been prepared in accordance with the effective Standards of Generally Accepted Accounting Practice (GAPP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

## 1. Presentation of Financial Statements

### Accounting Policies

Financial Statements for the year ended June 30, 2010

### Overstrand Municipality

## Accounting Policies

### Overstrand Municipality

Financial Statements for the year ended June 30, 2010

The annual financial statements have been prepared on the assumption that the municipality is a going concern and will continue in operation for the foreseeable future.

#### 4. OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except where offsetting is required or permitted by a Standard of GRAP.

#### 5. ACCUMULATED SURPLUSES

Included in the accumulated surpluses of the municipality, are the following reserves that are maintained in terms of specific requirements:

##### 5.1 Housing Development Fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Millions standing to the credit of the Housing Development Fund can be used only to finance housing developments that cannot be insured extremely. The balance of the self-insurance fund is invested in short-term investments.

##### 5.2 Self-Insurance Reserve

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revised buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus (deficit).

##### 6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

Subsequent to initial recognition, items of property, plant and equipment are carried at a revised amount based on principal valuations, less subsequent accumulation of depreciation and subsequent impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amount does not differ materially from that assessed.

Subsequent to initial recognition, land and buildings are carried at a revised amount based on municipal valuations, less subsequent to initial recognition, items of property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses, where applicable. Plant and equipment assets are stated at the depreciated replacement cost.



- 6.4 Disposal of property, plant and equipment**
- The book values of assets are written off on disposal. The difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the sales proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.
- Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.
- The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the individual asset. If any such impairment loss is written down immediately to its recoverable amount and an impairment loss is greater than the estimated recoverable amount of an item of property, plant and equipment, the gain or loss on disposal of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the asset.
- 6.5 Impairment**
- The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such impairment loss is written down immediately to its recoverable amount and an impairment loss is greater than the estimated recoverable amount of an item of property, plant and equipment, the gain or loss on disposal of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value of the asset.
- 6.6 Disposal of property, plant and equipment**
- Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.
- Intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised and are charged against income as incurred, while development expenditure is only capitalised to the extent that:
- it is probable that the municipality will receive future economic benefits or service potential;
  - the municipality has the resources to complete the intangible asset;
  - it is technically feasible to complete the intangible asset;
  - the municipality intends to complete the intangible asset for use or sale;
- Intrinsically generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised and are charged against income as incurred, while development expenditure is only capitalised to the extent that:
- it is probable that the municipality will receive future economic benefits or service potential test;
  - the municipality have been impaired to have an indefinite useful life, such intangible assets are amortised over its useful life. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised but is subject to an annual impairment test.
- In terms of GRAP 102, intangible assets are distinguished internally generated intangible assets and other assets of intangible assets. It is further distinguished between internally generated intangible assets and other assets are amortised over its useful life. Where intangible assets have been impaired to have an indefinite useful lives reclassified as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.
- The estimated useful assets are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

## Accounting Policies

Financial statements for the year ended June 30, 2010

## Overstrand Municipality

## Accounting Policies

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### Overstrand Municipality

Financial statements for the year ended June 30, 2010

#### 8. INVESTMENT PROPERTY

- Investment property is property held to earn rental revenue or for capital appreciation or both.
- Investment property is carried at fair value, representing open market value determined annually. The valuations are not performed by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recorded in the Statement of Financial Performance as part of other income.
- Where the classification of an investment property is based on management's judgment, the following criteria have been applied to distinguish investment properties from owner-occupied property held for resale:
- All properties held to earn market-related rentals or for capital appreciation or property held for resale:
- A building owned and leased out under one or more operating leases.
- leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- a building that is vacant but is held to be leased out under one or more operating leases.
- The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

- Properties.
- land held for a currently undetermined future use.
- a building owned and leased out under one or more operating leases.
- leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- All properties held to earn market-related rentals or for capital appreciation or property held for resale:
- A building owned and leased out under one or more operating leases.
- leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- a building that is vacant but is held to be leased out under one or more operating leases.
- The gain or loss arising on the disposal of an investment property is determined as the difference between the sales costs to sell and fair value less costs to sell.

- Non-current Assets and Disposal Groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must date committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current Assets (and Disposal Groups) classified as held-for-sale are measured at the lower of performance as gain or loss on the non-current assets held for sale is included in the Statement of Financial Instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance costs that are directly attributable to the acquisition or issue of financial instruments are measured at fair value.
- Financial instruments are initially measured at fair value to receive cash. The municipality classifies its investments in the following categories:

- 10.1 Financial Assets**

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

- 10.1.1 Financial assets at fair value through profit or loss**
- The classification is dependent on the purpose for which the financial asset is acquired and is as follows:
- Financial assets available for sale.
  - Held to maturity investments and loans and receivables.
  - Held to maturity investments and financial assets at fair value through profit or loss.

#### 10. FINANCIAL INSTRUMENTS

- The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Instruments as gain or loss on the disposal of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the financial asset or liability.

- Performance as gain or loss on the disposal of assets held for sale is included in the Statement of Financial Instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance costs that are directly attributable to the acquisition or issue of financial instruments are measured at fair value.
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- Financial assets available for sale.
  - Held to maturity investments and loans and receivables.
  - Held to maturity investments and financial assets at fair value through profit or loss.

#### Accounting Policies

Financial Statements for the Year ended

Financial Statements for the year ended June 30, 2010

### **10.1.2 Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any intention of trading such debtors. Loans and debtors are included in the trade and other receivables in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

### **10.1.3 Held-to-maturity investments**

**10.1.3 Head-to-maturity investments**  
Head-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current and current assets in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

municipality intend and are able to

**10.1.4 Available-for-sale Financial Assets** Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and comprise of cash and equity instruments held in shares. They are included under current assets in the statement of financial position and are initially measured at fair value at the statement of financial position date, except for initial position and subsequent measurements that do not have quoted price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

### 10.1.3. Impact of hierarchical assets

An assessment is performed at each reporting date to determine whether objective evidence exists that a financial asset is impaired, such as the probability of insolvency or significant financial difficulties of the debtor. If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in surpluses or deficit.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

impaired, such as the probability of

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision will be the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

original effective interest rate.

Consumer Debtors are settled at cost less a provision for bad debts. The provision is made so that the recoverability of credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

decreases and the decrease can be

With this exception of the usual set of ordinary measures, it is a subspecies of the same kind of measure that has been had the impairment not been recognised.

reversed through the Statement of

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

**10.2 Financial Liabilities**

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. There are two main categories of financial liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

All financial liabilities including trade and other payables, are measured at amortised cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs.

The municipality recognises financial assets only when the contractual rights to the cash flows from the asset expire or it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality assesses the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises financial assets when, and only when, the municipality's obligations are discharged, cancelled or they expire.

Consumable stores, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Water and purified effluent are valued at purified cost ifsofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs of present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised. Redundant and slow-moving inventories are identified and written down from the value in the ordinary course of business, less applicable variable selling expenses. Net realisable value is the estimated selling price in the ordinary course of business, less economic selling values. Net realisable value is the estimated selling realisable value with regard to their estimated economic realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less economic selling expenses. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value in the year in which they arose. The amount of any reversal is recognised in the Statement of Financial Performance as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

## 11. INVENTORIES

**10.3 Derecognition of financial assets and liabilities**

When Council approves the write-off of financial Assets due to non recoverability.

The municipality transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality assesses the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality assesses the financial asset and also recognises a collateralised borrowing for the proceeds received.

Consumable stores, work-in-progress and finished goods are valued at the lower of cost and net realisable value. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Water and purified effluent are valued at purified cost ifsofar as it is stored and controlled in reservoirs at year-end.

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## Accounting Policies

**Overstrand Municipality**

Financial statements for the year ended June 30, 2010

- 12.1.1 Service Charges** Revenue comprises the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, rebates, returns, rebates and discounts. The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.
- 12.1.2 Revenue from Exchange Transactions** Revenue is recognised as follows:
- 12.1.3 Pre-paid Electricity** Service charges relating to electricity and water are based on consumption history, are made monthly when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue. Service charges related to refuse removal are not based on consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption, based on previous consumption, based on the consumption history, are made each property that has a water connection. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.
- 12.1.4 Royalties** Revenue received from pre-paid electricity sales are deferred and recognised as revenue on the consumption basis, other than electricity load onto a pre-paid card. Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are referred to the underlying arrangement.
- 12.1.5 Tariff Charges** Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.
- 12.1.6 Income from Agency Services** Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.
- 12.1.7 Housing rental and instalments** Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis. Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time basis.

## Accounting Policies

### Overstrand Municipality

Financial Statements for the year ended June 30, 2010

- (c) to the extent that there has been compliance with any restrictions associated with the grant.
- (b) the amount of the revenue can be measured reliably, and
- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.
- Government grants and conditional receipts are recognised as revenue when:

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Revenues received from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery includes from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures,

### **13. CONDITIONAL GRANTS AND RECEIPTS**

- 12.2.5 Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure**
- Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is virtually certain.
- Revenue received from the responsible councillors or officials is virtually certain.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment brought into use.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment are brought into use.

- 12.2.4 Other Donations and Contributions**
- Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

- 12.2.3 Public contributions**
- Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received together with an estimate of fines and summonses that will be received based on past experience of amounts collected.

- 12.2.2 Fines**
- Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount received and effective interest rate applicable.

- 12.2.1 Rates and taxes**
- Revenue from non-exchange transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

- 12.2 Revenue from non-exchange transactions**
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.
  - It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
  - The amount of revenue can be measured reliably.
  - The municipality retains neither control over the goods sold.
  - The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
  - Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

## **Accounting Policies**

## Overstrand Municipality

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### Accounting Policies

#### 14. PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discoun ting is material, provisions are determined by discounting future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwind ing of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a payable in the Statement of Financial Position. The municipality has a present legal or constructive obligation to make such payment and a reliable estimate can only when the municipality has a reliable basis used to value the liability. The municipality recognises the expected cost of performance bonuses for through the statement of financial performance.

15.2 Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

#### 15.3 Post Retirement Benefits

The Municipality provides post retirement benefits for its employees and councillors.

Defined Contribution Plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognise d in the statement of financial performance if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

15.3.1 Medical Aid: Contributed Members

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

Past-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees deferring benefit liability is the aggregate value of the defined benefit obligation and unreco gnised actuarial gains and losses, reduced by unreco gnised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate.

15.3.2 Actuarial Gains and Losses

The municipality recognises actuarial gains and losses in full in the period in which they occur. Actuarial valuations are performed bi-annually.

financial statements.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual

## 20. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Municipality accounts for Value Added Tax on the cash basis.

### 19. VALUE ADDED TAX

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registed banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the Statement of Financial Position at fair value.

### 18. CASH AND CASH EQUIVALENTS

Financial Performance.

The municipality capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Financial Performance.

### 17. BORROWING COSTS

Rental income from operating leases is recognised and recorded on a straight-line basis over the term of the relevant lease.

Leases of receivable from finance leases are recognised and recorded on a straight-line basis over the term of the relevant lease so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the periods so far as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the amount due from lessees under finance leases or instalment sale agreements.

The Municipality as Lessor

Operating lease rentals are recognised as an expense and the contractual payments are recognised as an operating lease asset.

The corresponding liability is depreciated at appropriate rates on the straight-line basis using the effective interest rate method. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are recognised between the lease period and the lease period.

The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the lessee.

### 16. LEASES

The municipality contributes to various National and Provincial-administered Defined Benefit Plans on behalf of its employees. These funds are multi-employer funds (refer to Note 18 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued bi-annually on the Projected Unit Credit method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

## Accounting Policies

Financial Statements for the year ended June 30, 2010

**Overstrand Municipality**

GRANTS-IN-AID

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction; expect to be repaid in future; or expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events giving rise to the transfer occurred.

22. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expense was incurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

24. FRUITLESS AND WASTEFUL EXPENDITURE

Municipal expenditure is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipalities or Municipal Entities, Supply Chain Management Policies. Irregular expenditure excludes unauthorized expenditure, it is subsequently accounted for as revenue in the Statement of Financial Performance.

24. FRUITLESS AND WASTEFUL EXPENDITURE

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

COMPARATIVE INFORMATION 26.

Changes in accounting policies that are effected by management are retrospective in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects of changes in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

27. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

When the presentation or classification of items in the annual financial statements is amended, prior period comparative prior year comparatives:

Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

26. COMPARATIVE INFORMATION

Management has considered all the above standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality.

IAS 39 Financial Instruments: Recognition and Measurement - amended version effective 1 January 2010  
IAS 36 Impairment of assets - amended version effective 1 January 2010

The following other standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

Impairment of Cash-generating Assets (GRAP 26 - issued March 2009)  
Employee Benefits (GRAP 25 - issued December 2008)  
Revenue from Non-Exchange Transactions (GRAP 23 - issued February 2008)  
Impairment of Non-cash-generating Assets (GRAP 21 - issued March 2009)  
these Standards:  
in effect, in developing appropriate accounting policies dealing with the following transactions, but have been issued, but is not yet effective, in developing principles established in the following Standards of GRAP that have been issued, but is not yet

The Municipality applies the principles established in a Standard of GRAP that has been issued, but is not yet in effect, in developing an appropriate accounting policy dealing with a particular transaction or event before applying paragraph 12 of the GRAP 19 on Accounting Policies, Changes in Accounting Estimates and Errors.

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance.

GRAP 18	Segment Reporting - issued March 2005
GRAP 21	Impairment of Non-cash-generating Assets - issued March 2009
GRAP 23	Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008
GRAP 24	Presentation of Budget Information in Financial Statements - issued November 2007
GRAP 26	Employee Benefits - issued December 2009
GRAP 28	Impairment of Cash-generating Assets - issued March 2009
GRAP 103	Heritage Assets - issued July 2008
GRAP 104	Financial Instruments - issued October 2009

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

## 30. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the Annual Financial Statements.

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the opening balances of assets, liabilities and net assets for the error. In such cases the municipality shall restore the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

## Accounting Policies

Financial Statements for the year ended June 30, 2010

## Overstrand Municipality

## Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

## Various Accounting Errors

- The effect of these changes are as follows:

(Increase) / Decrease in income  
Revenue - service charges  
Revenue - fines

Revenue - service charges	(599,348)
Revenue - fines	(14,051)
Revenue - rental	(84,043)
Revenue - other	(6,543,719)
Interest received	1,672,626

Openning balance of Accumulated supplies at 1st July 2000  
(3,603,147)  
(16,278,199)  
Movement in the Financial Position Statement:  
(Increase) / Decrease in Accumulated Supplies  
(98,744,602)

2,147,968	Trade and other payables
208,227	Retention fees
1,338,708	Control account - sundry
60,804	Deferred income
54,713	Deposits
(365)	Other payables
580,803	Prepaid vendings

18,435,734	Unspent grants
21,049	Provisions / (Decrease) in Non-current Liabilities
(566,360)	Other financial liabilities
18,435,734	(Increase) / Decrease in Non-current Liabilities
18,435,734	Long term receivables
(2,500)	- Land sales
(6,176,093)	- Other financial assets
82,606,401	Fixed assets
(140,000)	Investment properties
33,415	Increase / (Decrease) in Current Asset Inventory
37,896	- Stores, materials and fuels
2,672,199	- Water
33,415	Trade and other receivables
(4,481)	- Control account - sundry
(59,323)	- Control account - salaries
2,731,760	Trade debtors
(891,278)	Consumers debtors
(395,934)	Debtors
(395,934)	Operational lease

# Notes to the Financial Statements

## Financial Statements for the year ended June 30, 2010

### Overstrand Municipality

Financial Statements for the year ended June 30, 2010

Reconciliations of adjustments due to changes in accounting policies and prior period errors

## 2. Changes in accounting policy and prior period errors (continued)

Figures in Rand 2009 2010 2011

ASSETS		2. Changes in accounting policy and prior period errors (continued)				
		Figures in Rand				
		2010	2009			
<b>NON-current assets</b>						
Property, plant and equipment	2,766,951,519	132,208,401	2,899,159,920			
Intangible Assets	2,360,000	(140,000)	2,360,000			
Investment Property	47,481,200	47,341,200	8,875,521			
Other financial assets	14,051,614	(5,176,093)	(2,500)			
Long-term receivables	314,207	311,707	311,707			
Current assets	132,233,715	1,418,403	133,652,118			
Inventory	4,537,951	33,415	4,571,366			
Consumer debtors	37,391,968	(891,278)	36,500,690			
Trade and other receivables	39,799,049	2,672,200	42,471,249			
Operating lease receivable	1,150,927	(395,934)	1,146,015			
Current portion of long-term receivables	110,099	-	110,099			
VAT	18,532,823	-	18,532,823			
Non-current assets held for sale	18,851,000	-	18,851,000			
Cash and cash equivalents	11,859,898	-	11,859,898			
Total Assets	2,963,392,255	128,308,210	3,091,700,465			
<b>Surplus/(Deficit) for the year</b>						
Stores and materials	4,327,596	4,524,868	111,478			
Water	352,099	352,099	111,478			
Inventory	4,524,868	4,527,596	111,478			
Stores and materials	4,636,346	4,679,695	111,478			
Water	4,636,346	4,679,695	111,478			
<b>New Republic Bank Held to maturity</b>						
Debt to municipality	2,631,821	2,631,821	2,631,821			
The bank is under receivership since October 1999. Interest only accrued till 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. During the previous year, a dividend of R0,45 on the original capital still outstanding has been received. This brings the total payout to 89% of the original investment.	The bank is under receivership since October 1999. Interest only accrued till 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. During the previous year, a dividend of R0,45 on the original capital still outstanding has been received. This brings the total payout to 89% of the original investment.					
<b>4. Other financial assets</b>						
Amounts recognised as expenditure during the period R4,881,875.41 (2009/2010) and R4,367,867.38 (2008/2009).						
Investments (write-downs)	4,634,802	4,571,367	4,571,367			
<b>5. Inventories</b>						
Stores and materials	4,636,346	4,679,695	111,478			
Water	4,636,346	4,679,695	111,478			
Inventory	4,524,868	4,527,596	111,478			
Water	352,099	352,099	111,478			
Inventory	111,478	111,478	111,478			
Stores and materials	111,478	111,478	111,478			
Water	111,478	111,478	111,478			
<b>6. Held to maturity</b>						
New Republic Bank	2,631,821	2,631,821	2,631,821			
The bank is under receivership since October 1999. Interest only accrued till 31 December 2007. There is no guarantee that the municipality will receive the full value of the investment. During the previous year, a dividend of R0,45 on the original capital still outstanding has been received. This brings the total payout to 89% of the original investment.						
Rand Merchant bank/Momentum	6,178,541	-	6,178,541			
ABSA bank call account	10,000,000	-	10,000,000			
Policy backed loan structure. The investment was redeemed during the year.	Policy backed loan structure. The investment was redeemed during the year.					
Eskom	66,159	-	66,159			
Long term investments in lieu of consumer deposits. The investment was redeemed during the year.						
Financial statements for the year ended June 30, 2010						

## OVERSTAND MUNICIPALITY Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

redeemed during the year.

## Overstrand Municipal

### Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

	Figures in Rand
4. Other financial assets (continued)	
Non-current assets Held to maturity	2,631,821
Non-current assets Held to maturity	8,875,521
Current assets Held to maturity	10,000,000
5. Operating lease asset / (accrual)	
6. Trade and other receivables from exchange transactions	
Trade debtors Deposits	16,857,139
Trade debtors Deposits	18,986,233
Trade debtors Control accounts - sundry	107,022
Trade debtors Deposits	13,443,958
Trade debtors Control accounts - sundry	23,427,722
7. Other receivables from non-exchanging transactions, including taxes and transfers	
VAT	15,633,554
In determining the recoverability of trade and other receivables, the Overstrand Municipality considers any change in the credit quality of the trade and other receivables and other receivable from the date the credit was initially granted up to the reporting date.	
In determining the recoverability of other receivables, the Overstrand Municipality considers any change in the credit quality of the other receivable from the date the credit was initially granted up to the reporting date.	
Gross balances	
Government Business Individual	1,915,077
Government Business Individual	6,348,528
Government Business Individual	7,575,369
Government Business Individual	49,399,433
Government Business Individual	44,171,579
Government Business Individual	1,680,187
Government Business Individual	1,915,027
Government Business Individual	6,289,541
Government Business Individual	27,136,131
Government Business Individual	35,105,859
Net balance	36,500,690
Less: Provision for bad debts	
Government Business Individual	(1,285,828)
Government Business Individual	(22,263,302)
Government Business Individual	(15,195,452)
Government Business Individual	(23,549,130)
8. Consumer debtors	
In determining the recoverability of other receivables, the Overstrand Municipality considers any change in the credit quality of the other receivable from the date the credit was initially granted up to the reporting date.	
Gross balances	
Government Business Individual	52,435,134
Government Business Individual	58,654,989
Government Business Individual	44,171,579
Government Business Individual	6,348,528
Government Business Individual	7,575,369
Government Business Individual	49,399,433
Government Business Individual	1,680,187
Government Business Individual	1,915,027
Government Business Individual	6,289,541
Government Business Individual	27,136,131
Government Business Individual	35,105,859
Net balance	36,500,690

# **Notes to the Financial Statements**

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## **Financial Statements for the year ended June 30, 2010**

### **Operstrand Municipalility**

Financial Statements for the year ended June 30, 2010

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# Notes to the Financial Statements

## Overstrand Municipality

Financial Statements for the year ended June 30, 2010

Figures in Rand

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

Figures in Rand

### 9. Long term receivables (continued)

Long term receivables - Current portion

Cash and cash equivalents consist of:

The municipality had the following b

ABSA BANK  
Account Type - 322 000 035  
Acct number / description  
June 2  
Hermannus Primary Bank  
Account Number  
ABSA BANK  
Account Type - 322 017 0240  
Acct number / description  
June 2

(Gauteng)	ABSA BANK	Account Type - 405 835 6861	ABSA BANK (Hangklip-Kleinmond)
(Ornus Caravan Park)	ABSA BANK	Account Type - 405 589 9787	ABSA BANK (Onrus Caravan Park)
(Traffic Department)	ABSA BANK	Account Type - 405 642 0921	ABSA BANK (Traffic Department)
(Debtors Accounts)	ABSA BANK	Account Type - 406 657 8021	ABSA BANK (Debtors Accounts)
(Debtors Accounts)	ABSA BANK	Account Type - 407 298 3157	ABSA BANK (GB Spot Centre)
Cash on hand in floats	ABSA BANK		Tell

## 11. Investment property

# Notes to the Financial Statements

## For the Year Ended June 30, 2010

Financial Statements for the year ended June 30, 2010

**11. Investment property (continued)**

(<http://www.sagepub.com/journals>)

Reconciliation of investment property - 2009

Reconciliation of investment property - 2009		
	Investment property	Investment property
Opening Balance	47,341,200	47,341,200
Transfers		
Total		
Opening Balance	47,341,200	66,837,900
Adjustments	19,496,700	
Total		

Section 10.1: Introduction to Properties

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

REVENUE EARNED ON INVESTMENT PROPERTIES FOR THE 2009/10 FINANCIAL YEAR WAS R4011,58 (2008/09: R348,94).

All transfers to Investment Property was from owner-occupied property.

## 12. Property, plant and equipment

	2010	2009	Cost / Value	Accumulated depreciation	Carrying value	Cost /	Accumulated depreciation	Carrying value	Builidings
121,213,425	(5,319,888)	115,893,537	115,829,300	(26,149,827)	68,235,337	94,257,930	(21,621,314)	72,636,616	Community
94,385,164	(26,149,827)	68,235,337	94,257,930	(26,149,827)	68,235,337	94,257,930	(21,621,314)	72,636,616	Hertage
66,228,309	-	66,228,309	-	66,228,309	-	66,228,309	-	66,228,309	Infrastructure
4,670,353,739	(2,400,834,099)	2,269,519,430	4,573,818,741	(2,400,834,099)	2,269,519,430	4,573,818,741	(2,320,823,542)	2,252,995,199	Land
357,445,177	-	357,445,177	-	-	357,445,177	350,071,400	-	350,071,400	Other assets
56,681,526	(21,360,043)	35,321,483	55,300,509	(21,360,043)	35,321,483	55,300,509	(13,901,411)	41,399,921	Total
5,366,307,340	(2,453,664,067)	2,912,643,273	5,255,506,188	(2,453,664,067)	2,912,643,273	5,255,506,188	2,356,346,267	2,899,159,921	Reconciliation of property, plant and equipment - 2010

Reconciliation of property, plant and equipment - 2010

Opening Balance	Additions	Disposals	Under Construction	Transfers	Depreciation	Total
115,829,300	5,534,125	-	Construction			
72,636,616	127,234	-	(140,000)	(5,329,888)	115,893,537	
66,228,308	-	-	(4,528,513)	68,235,337		
2,252,995,199	69,188,094	(348,835)	31,249,708	-	66,228,308	
350,071,400	7,437,905	-	-	(83,564,736)	2,269,519,430	
41,399,098	1,772,473	(132,935)	-	(64,128)	(7,717,153)	35,321,483
2,899,159,921	84,059,831	(481,770)	31,249,708	(204,128)	(101,140,290)	2,912,643,272

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# Notes to the Financial Statements

## Financial Statements for the year ended June 30, 2010

### Operations and Municipalities

Financial Statements for the year ended June 30, 2010

#### 12. Property, plant and equipment (continued)

## 12. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2009

Reconciliation of property, plant and equipment - 2009

Land and buildings are re-valued independently every 4 years. The last revaluation was done on June 30, 2009 and was performed by Boland Valuers, independent valuers and not connected to the municipality.

These assumptions were based on current market conditions.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

### 13. Intangible assets

Recognition of intangible assets - 2010						
Water rights	Cost / Accumulated Carrying value	Cost / Accumulated Carrying value	Va luation Amortisation	Cost / Accumulated Carrying value	Va luation Amortisation	Total
2,360,000	-	2,360,000	(467,448)	217,277	2,825,030	(465,030)
684,725	-	2,360,000	(467,448)	217,277	465,030	(465,030)
3,044,725	(467,448)	2,577,277	2,825,030	(465,030)	2,360,000	-
Total						
Water rights software, other						
Computer software, other						
Computer hardware						
Water rights						
2010	2009					

Land and buildings are re-valued independently every 4 years. The last revaluation was done on June 30, 2009 and was performed by Boland and Valuers, independent valuers and not connected to the municipality.

These assumptions were based on current market conditions.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Refer to page 58 for maturity analysis of financial liabilities.

(d) At the reporting date there are no significant concentrations of credit risk to Lenders and Receivables at Fair Value, carrying amount reflected above represents the municipality's maximum exposure to credit risk for such loans and receivables.

a) The manager of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values. The fair value of Financial Assets and Financial Liabilities assets and other parties as well as the current payment ratios of the municipality's debtors.

The fair values of the financial liabilities were determined as follows:

14.	Non-current assets held for sale	
	Assets meeting the definition and recognition criteria of non-current assets held for sale are reclassified and measured in accordance with GRAP 100 requirements.	
	ERF NO.11006 portion of erf 774 - Station Site	R17 000 for further rezoning of erf 774 to General business zone. It was sold to Shoprite Checkers (Pty) LTD for R17 000 000 for further development. Transfer is expected during 2011.
	ERF NO.6408 - Kleinmond Service Yard	Council approved the rezoning of erf 774 to General business zone. It was sold to Shoprite Checkers (Pty) LTD for R17 000 000 for further development. Transfer is expected during 2011.
	ERF NO.6830 - Hermannus	Council decided to sell this property for the extension of Kleinmond. It was sold to HN De Villiers for R5 000 and transfer is expected during 2011.
	ERF NO.7288 - Community	Council decided to sell this property to SOFCA. Transfer is expected during 2011.
	ERF NO.11000 portion of erf 243 - Hermannus	ERF NO. 11000 portion of erf 243 - Hermannus Council decided to sell this property to Abalone farm, Abagold. Transfer is expected during 2011.
	ERF NO.1138 portion of erf 243 - Hermannus	ERF NO. 1138 portion of erf 243 - Hermannus Council resolved to sell the property on 1 September 2009. It was sold to The United Church on 22 February 2010. Transfer took place in August 2010.
	Non-current assets held for sale comprises the following:	Non-current assets held for sale comprises the following:
15.	Other financial liabilities	
	Held at amortised cost	
	Annuity loans	
	126,225,308	103,132,935
	126,225,308	126,225,308
	180,753,189	180,753,189
	19,298,638	18,851,000
	360,509	-
	37,129	-
	50,000	-
	1,000	-
	1,000	1,000
	2,050,000	16,800,000
	2,050,000	16,800,000
	6830 - Kleinmond Service Yard	ERF no. 6408 - Kleinmond Station Site
	37,129	37,129
	50,000	50,000
	1,000	1,000
	16,800,000	16,800,000
	19,298,638	18,851,000
	360,509	360,509
	37,129	37,129
	50,000	50,000
	1,000	1,000
	16,800,000	16,800,000
	180,753,189	180,753,189
	126,225,308	126,225,308
	103,132,935	103,132,935
	At amortised cost	At amortised cost
	Current liabilities	At amortised cost
	23,092,373	126,225,308
	9,265,081	180,753,189
	2010	2009
	Hfigures in Rand	

Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

## Notes to the Financial Statements

### Oversstrand Municipality

Financial Statements for the year ended June 30, 2010

	Figures in Rand
	2010
	2009
16. Trade and other payables from exchange transactions	
Trade payables	
Retention money	64,763,891
Prepaid money	8,347,362
33,220,050	8,402,873
Payments received in advance	
Other payables	
308,173	3,955,665
2,189,316	4,675,006
3,396,747	268,429
Deposits received	
Deferred income	
182,411	212,848
Control account - sundry	
9,982,319	9,982,319
Control account - sundry	
48,600	58,755
Builders' deposits - salaries	
6,522,236	6,083,093
6,242,589	6,242,589
Accrued leave pay	
5,680,119	5,680,119
17. Consumer deposits	
Services	13,893,478
18. Retirement benefits	
Defined benefit plan	
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:	
- Bonitas;	
- LA Health;	
- Prosano;	
- Samwomed; and	
- Keyhealth.	
The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2010 by Mr DR Posen, Fellow of the Actuarial Society of South Africa, including projections for the 2011 and past 2012 financial periods. The present value of the defined benefit obligation, and the related current service cost and past service costs, were measured using the Projected Unit Credit Method.	
The members of the Post-employment Health Care Benefit Plan are made up as follows:	
In-service Members (Employees)	378
Continuation Members (Retirees, widowers and orphans)	66
Total Members	444
Carrying value	
Present value of the defined benefit obligation-wholly unfunded	(53,518,639)
Non-current liabilities	
(52,453,742)	(54,827,128)
(1,064,897)	(1,759,872)
(53,518,639)	(56,587,000)
Current liabilities	
(53,518,639)	(56,587,000)



# **Notes to the Financial Statements**

## **Overstrand Municipality**

Financial Statements for the year ended June 30, 2010

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

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Figures in Rand

#### 19. Unspent conditional grants and receipts

### Government grants:

Provincial Administration Western Cape - grants	Financial management grant	National Treasury - Municipal system improvement grant	Provincial Treasury - Housing consumer education.	Provincial Treasury - Multi purpose centre (Hawston)
7,037	-	2,902	185,433	78,016
820,157	-	2,04,888	204,888	204,888
820,157	-	2,902	185,433	78,016

**Conditional receipts:**

OLEDA - IDC grant for intemrs	CSIR - Housing grant	Kleinmond 410 Project - Participation fees	Infrastucture contribution - storm water	Infrastucture contribution - Sandbaai erf	Ovemberg District Municipality - Whale coast signage	Movement during the year
-	-	-	-	-	-	1,800,824
-	-	-	-	-	-	1,717,128
-	-	144,000	6,600	24,612	243,000	731,245
-	-	173,420	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Reconciliation of provisions - 2010						
20. Provisions	Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised.					
	Opening Balance	Adjustments	Utilised during the year	Total	3,813,780	26,653,005
Rебалансировка из-за алиен вегетации	18,995,425	-	-	18,995,425	3,030,073	22,025,498
Баланс	3,385,533	3,214,467	-	3,385,533	6,600,000	6,756,14
Утилизация за год	6,600,000	-	-	6,600,000	3,629,386	3,629,386
Стоимость бонусов	6,756,14	-	-	6,756,14	4,305,000	566,360
График выплаты	566,360	-	-	566,360	508,674	508,674
Лонг Сервис бонусы	508,674	-	-	508,674	30,409,099	30,409,099
Чистка из-за тип сайтов	30,409,099	-	-	30,409,099	3,813,780	26,653,005

**Overstrand Municipal**  
**Notes to the Financial Statements**

Financial Statements for the year ended June 30, 2010

Figures in Rand

2009	2010	
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20. Provisions (continued)

Reconciliation of provisions - 2009

Rehabilitation of tip sites	Cleaning out of alien vegetation	Long service bonuses	Gratification payable	Cleaning up of illegal dumping	Current liabilities
22,025,498	11,031,931	11,515,779	(522,212)	(4,267,000)	20,894,824
4,380,000	-	(994,467)	-	(1,915,999)	9,683,211
3,385,533	83,431	(994,467)	-	(2,351,001)	(3,925,030)
675,614	592,183	-	(57,350)	566,360	26,653,005
623,710	83,431	-	-	-	30,409,099
4,491,632	24,700,581	25,917,467	24,700,581	1,952,424	26,653,005

The costs to rehabilitate all identified sites in the Overstrand is estimated at R18,995,425.

Rehabilitation of tip sites:

Cleaning out of alien vegetation:  
Approx. 20% of a total area of 26 154ha must be cleared during the next five years and the estimated cost amounts to R6.6m.

Long service provision:  
Post retirement benefits relating to long service bonuses have been provided for. An actuarial valuation has been carried out by a professional actuary as at 30 June 2010. The provision has been adjusted with the projection from the 2010 report.

22. Service charges

116,200,501	121,922,911	
Rates received		
Residential and Business		
Sale of electricity		
Refuse removal		
32,056,044	36,160,168	36,160,168
31,512,376	33,224,600	33,224,600
53,852,917	75,032,548	75,032,548
143,486,842	148,216,320	148,216,320
220,908,179	292,633,636	292,633,636
Sewerage and sanitation charges		

#### **Notes to the Financial Statements**

Financial Statements for the year ended June 30, 2010

Figures in Rand

Figures in Rand

Notes to the Financial Statements

### **23. Government grants and subsidies**

Figures in Rand 2009 2010 2010

National Equitable share  
22 452 206      20 894 239

Uncertainties in grain yields: Natural - Equitable share

In terms of the concession, this grant is used to subsidise the provision of basic services to indigent community members. All registered individuals receive the basic service charges for water, electricity, sewerage, refuse and gkf free basic water and 50kw unit of electricity (2009; same principal applied), which is funded from grants.

Conditional grants: National - FMG grant

Balanceance unspesert st beginnling af Year	Current year receipts	Conditions met - transferred to revenue	Conditions still to be met - transferred to liabilities (see note 19)
820,157	1,204,688	-	820,157
	750,000	(1,570,157)	
	500,000	(884,531)	
			820,157

Balance undisputed at beginning of Year	Current year receipts	Conditions met - transferred to revenue	Conditions still to be met - transferred to liabilities (see note 19)
-	2,902	2,902	2,902
	400,000	400,000	(397,098)
	400,000	400,000	(402,902)
	-	-	2,902

Current year receipts	Conditions still to be met - transferred to revenue
556,000	(556,000)
505,419	(505,419)
	Conditions still to be met - transferred to liabilities (see note 19)
	-
	-
	Current year receipts: Provincial - Main road subsidy
	Conditions met - transferred to revenue
16,000	(16,000)
	Current year receipts: Provincial - transfers to revenue
	-
	-
	Conditions met - transferred to revenue
	-



# Notes to the Financial Statements

## Financial Statements for the year ended June 30, 2010

### Overstrand Municipality

Financial Statements for the year ended June 30, 2010

Oversstrand Municipality

Figures in Rand

		Conditions still to be met - transferred to liabilities (see note 19)
		Current year receipts transferred to revenue
	(96,000)	(96,000)
	96,000	96,000
		Conditions still to be met - transferred to liabilities (see note 19)
		Current year receipts: Community development workers
		-
		-
		-
		-
		Conditions still to be met - transferred to liabilities (see note 19)
		Current year receipts transferred to revenue
	(1,031,470)	(1,031,470)
	297,000	297,000
		Conditions still to be met - transferred to liabilities (see note 19)
		Current year receipts: Masilimbane project
		-
		-
		-
		Balance unused at beginning of year
		Current year receipts transferred to revenue
	734,470	734,470
	297,000	297,000

Conditional receipts: DWAf: Masiimbane project

[View all publications](#) | [Search publications](#)

Canadian recipes: community development work

Challenging skills to be met - transition to radians (1)

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#### **Building plan fees**

Developers' configurations

Parking fees received

Private telephone calls

Reinhardt Action Line  
Broadway Certified

#### Tax liability write-off

#### **Vehicle registration fees**

## Interest Revenues

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**Oversstrand Municipality**

**Notes to the Financial Statements**

Financial Statements for the year ended June 30, 2010

26. Employee related costs			Figures in Rand
Basis	93,549,733	77,525,283	
Bonuses	5,517,513	5,244,676	UIF
Medical aid - company contributions	6,193,312	976,562	Other payroll levies
Bonuses	6,962,754	853,976	Leave pay provision charge
Bonuses	44,166	2,134,920	Post-employment benefits - Pension - Defined contribution plan
Other payroll levies	37,755	1,176,282	Leave pay provisions
Over-time payments	9,800,747	12,392,973	Defined contribution plans
Long-service bonuses	836,763	565,954	Acting allowances
Car allowances	828,990	578,257	Housing benefits and allowances
Sunday allowances	6,245,153	5,240,831	Standby allowances
Car allowances	1,041,767	1,237,876	Car allowances
Sunday allowances	3,435,075	1,277,739	Group life - company contributions
Car allowances	421,162	374,209	Car allowances
Sunday allowances	634,935	653,458	Car allowances
Car allowances	87,994	59,140	Full time union representativeness
Car allowances	156,843,819	123,649,487	Remuneration of Municipal Manager
Annual Remuneration	776,168	969,025	Annual Remuneration
Car Allowance	60,000	60,000	Car Allowance
Performance Bonuses	169,617	212,450	Car Allowance
Performance Bonuses	-	30,000	Car Allowance
Performance Bonuses	1,271,475	1,005,785	Remuneration of director: Finance
Annual Remuneration	594,318	802,687	Annual Remuneration
Car Allowance	33,403	44,340	Car Allowance
Performance Bonuses	166,657	166,657	Performance Bonuses
Performance Bonuses	66,252	30,078	Performance Bonuses
Performance Bonuses	778,468	1,079,936	Remuneration of director: Community Services
Annual Remuneration	-	12,825	Cellphone allowance
Car Allowance	-	12,825	Cellphone allowance
Performance Bonuses	-	12,825	Cellphone allowance
Performance Bonuses	-	12,825	Cellphone allowance
Annual Remuneration	434,022	595,482	Annual Remuneration
Car Allowance	132,978	150,768	Car Allowance
Performance Bonuses	3,908	3,912	Performance Bonuses
Performance Bonuses	109,033	146,377	Performance Bonuses
Performance Bonuses	16,414	37,064	Performance Bonuses
Performance Bonuses	696,355	933,603	Performance Bonuses
Annual Remuneration	-	12,825	Cellphone allowance

## **Notes to the Financial Statements**

Financial Statements for the year ended June 30, 2010

### **Overstrand Municipality**

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

Figures in Rand

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#### **Remuneration of director; Infrastructure & Planning**

### Cellphone allowance

978-12

12,825

Performance Bonuses

### Cell phone allowance

CZ9'71

C78'71

Remuneration of Director Protection Services

Allowance

2000  
soc'ty

120,000

Performance Bonuses

198,251

725,861

Remuneration of director: Management Services

Car Allowance

147-836

447-836  
72,000  
80,000

Performance Bonuses

Page 1

## Acting alliance

26,646

26,646

**Overstrand Municipality**

Financial Statements for the year ended June 30, 2010

**Notes to the Financial Statements**

	Figures in Rand
27. Remuneration of councillors	2009
Executive Major Deputy Executive Mayor Mayoral Committee Members Speaker Councillors	518,696 555,008 407,905 863,567 769,591 414,958 2,259,226 444,005 414,958 2,152,302 4,270,505
28. Depreciation and amortisation	101,142,706
Property, plant and equipment	34,145,424
29. Finance costs	19,294,616
Current borrowings	7,526,953
30. Debt impairment	9,507,272
Contributions to bad debt provision	4,964,544
31. Bulk purchases	78,005,898
Electricity	59,353,373
32. Contracted Services	6,318,853 8,142,303 6,231,971 5,513,979 14,461,156
Specialist Services Other Contractors	11,745,950
33. Grants and subsidies paid	11,817,760
Other subsidies Low house-hold subsidies	9,308,485

## Notes to the Financial Statements

**Overstrand Municipality**

Financial Statements for the year ended June 30, 2010

34. General expenses	2009	2010	Figures in Rand
Advertising	1,159,447	1,053,476	2,266,910
Auditors remuneration	2,266,910	3,102,087	842,591
Bank charges	842,591	892,504	4,768,101
Billing charges	6,047,441	6,084,558	6,728,753
Chemicals	6,728,753	2,291,657	1,215,633
Commission paid	1,223,815	1,964,072	1,364,540
Consulting and professional fees	1,460,381	911,599	7,113,444
Debt collection	1,363,892	1,223,815	1,249,442
Deeds office cost	66,334	105,014	116,287
Electricity	1,312,394	1,592,821	116,287
Fuel and oil	6,696,119	5,880,834	3,144,004
Hire	2,736,244	287,701	447,203
Hermannus public protection	3,144,004	584,977	1,371,272
Impovement rebates	16,533,199	17,354,711	6,129,157
Insurancce	16,533,199	17,354,711	3,514,191
Municipal contributions	115,239	66,170	750,000
Occupational health and safety	4,497,151	4,497,151	4,497,151
Other expenses	1,774,027	664,098	1,369,856
Postage and courier	1,371,272	584,977	1,042,965
Printing and stationery	1,371,272	1,369,856	1,369,856
Radio licence fees	35,484	26,356	26,356
Refuse/recycle bags	238,410	186,230	211,130
Rates income from rates	1,795,415	2,718,072	2,718,072
Secutiry services	1,258,443	1,688,668	1,688,668
Solid waste chipping fees	2,735,331	2,838,261	2,838,261
Solid waste dumping fees	1,645,097	1,677,326	1,677,326
Special waste haulage	1,017,537	1,645,097	1,017,537
Staff welfare	441,358	111,537	20,368
Subscriptions and membership fees	591,963	697,279	591,963
Telephone and fax	5,988,382	669,009	669,009
Tourism development	2,935,510	610,437	610,437
Training	2,935,510	1,185,102	950,717
Uniforms and protective clothing	972,652	900,602	972,652
Venue expenses	216,451	175,911	414,965
Veterinary department	548,193	548,193	76,984
Water levies	896,061	896,061	110,827,156
<b>100,701,283</b>			

Certain of the municipality's properties terms from 3 to 99 years.

## **Notes to the Financial Statements**

Financial Statements for the year ended June 30, 2010

## Overstrand Municipality

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Figures in Rand 2010 2009

internal audit, responsible for initiating a control framework and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Liabilities are generated by day-to-day operational activities and are held to manage the risks facing the municipality changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and the degree of financial risk faced by businesses entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are held to manage the risks facing the municipality under-taking its activities.

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by businesses entities. Financial instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are held to manage the risks facing the municipality under-taking its activities.

The capital structure of the municipality consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in note 15, cash and cash equivalents disclosed in note 10, and equity as disclosed in the statement of financial position.

The municipality's objectives when managing capital are to safeguard the municipality's ability to continue as a going concern in order to provide returns for member and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Capital risk management

Certain comparative figures have been restated, see note 2 for detail information regarding these changes.

### 38. Comparative figures

Certain council members terminated their membership with the Municipal Councillors Pension Fund. There is a claim amount of R455,000 that the municipality has to recover from the members concerned and pay over to the fund. We are disputing the claim and have already sent our advocates meaning to the fund administrators.

### Municipal Councillors Pension Fund

There was a shortfall in the annual earnings of the Cape Joint Pension Fund and the claim amount is R1,390,581. We oppose the claim.

### Cape Joint Pension Fund

SALA unilaterally decided to increase the employee's contribution to the said fund from 18,75 to 20,78% in 2003. A claim was instituted by the SALA. On 12 February 2009 Mr Justice Le Grange reviewed and set aside the then Acting Municipal Interest @ 15.5% p.a. from the date of demand.

SLA unilateral decision to increase the employee's contribution to the said fund from 18,75 to 20,78% in 2003. A claim was instituted by the SALA. On 12 February 2009 Mr Justice Le Grange reviewed and set aside the then Acting Municipal Interest @ 15.5% p.a. from the date of demand.

The matter arose when M5 sought an order in the Western Cape High Court setting aside a decision of the then Acting Municipal Manager (the undesignated) regarding, on appeal, the allocation of a municipal tender to M5 and instead awarding the tender to ASLA. On 12 February 2009 Mr Justice Le Grange granted some of the findings of the judge with regard to the legal provisions of the Local Government: Municipal Systems Act, 2000, (Act 32 of 2000). The approximate amount of the legal costs involved are R140,000.

The matter arose when M5 sought an order in the Western Cape High Court setting aside a decision of the then Acting Municipal Manager (the undesignated) regarding, on appeal, the allocation of a municipal tender to M5 and instead awarding the tender to ASLA. On 12 February 2009 Mr Justice Le Grange granted some of the findings of the judge with regard to the legal provisions of the Local Government: Municipal Systems Act, 2000, (Act 32 of 2000). The approximate amount of the legal costs involved are R140,000.

M5/ASLA:

37. Contingent liabilities

Figures in Rand  
2009 2010

## Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

## Oversrand Municipality

# Notes to the Financial Statements

## Financial Statements for the year ended June 30, 2010

### Overstrand Municipality

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

39. Kira lihaang gamit (gutomuhan)

Interest Rate Risk is defined as the risk that the fair value of future cash flows associated with a financial instrument will fluctuate in amount as a result of market changes.

influence the amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposits, investments, long-term receivables,

made without consultation with the council or responsible for financial matters.

Outgoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

discouraging. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Long-term receivables and other debtors are individually evaluated annually at balance sheet date for impairment or impairment. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent discussion. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent discussion.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The much-anticipated section on interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The multicollateral only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Credit Risk

Trade receivables comprises a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, credit utilization of individual customers is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

#### Credit quality of financial assets

Counter parties with external credit rating (Fitch's)

Refer to Appendix E(2) for the comparison of actual capital expenditure versus budgeted expenditure.

42. Actual capital expenditure versus budgeted capital expenditure

Refer to Appendix E(1) for the comparison of actual operating expenditure versus budgeted expenditure.

41. Actual operating expenditure versus budgeted operating expenditure

Berry AG	Herbert VR
1,731	2,698
1,731	2,698
R	R
days	days
less than 90	more than 90
Outstanding	Total
June 30, 2009	

The following Councils had arrear accounts outstanding for more than 90 days at June 30, 2010:-

#### Councils, arrear consumer accounts

All VAT returns have been submitted by the due date throughout the year.

VAT receivable	15,633,554	18,532,823
----------------	------------	------------

40. Additional disclosure in terms of Municipal Finance Management Act

adverse changes in the financial and economic conditions.

Group 1 = Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term

Group 2 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

Group 3 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

Group 4 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

changes in the financial and economic conditions.

B = Speculative. Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse

F3 = Fair credit quality. The capacity for timely payment of financial commitments is adequate.

F2 = Good credit quality. A satisfactory capacity for timely payment of financial commitments.

F1 = Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments.

Group 1	Group 2	Group 3	Group 4	Long term receivables
17,022,436	23,525,566	7,732,397	24,089,579	205,356
4,515,929	2,486,940	3,307,447	28,409,829	52,435,134
2,089,579			58,654,989	
Group 1	Group 2	Group 3	Group 4	
				424,306

#### 39. Risk management (continued)

Figures in Rand	2010	2009
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#### Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

#### Overstrand Municipality

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Figures in Rand

Financial Statements for the year ended June 30, 2010

## Overstrand Municipality

Figures in Rana

43. Financial liabilities by category

0103

6007

DUBUQUE COUNTY

2010

Unspresso® es una marca registrada y se la recibe

601

6

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SEARCHED

6003

Other market intermediaries  
Trade and other payables  
Consumer deposits  
Unspent conditional grants and receipts

- 1 -

#### **AMORTISED COST**

### Fair Value

The Fair Values of Financial Assets and Financial Liabilities are determined as follows:

- The Fair Value of Financial Assets and Financial Liabilities with Standard Terms and Conditions and Traded on Active Markets is determined with reference to quoted market prices;

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statement approximates their fair values. The fair value of Financial Assets and Financial Liabilities were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratios of the municipality's debtors.

5

5

Refer to page 51 for the supply chain management deviations.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes an additional schedule to this note to the financial statements.

Policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management

#### 47. Deviations from supply chain management regulations

A decision was made where they decided that Overstrand Local Economic Development Agency (Pty) Ltd should be dissolved and incorporated into the municipality as a department as of 31 May 2010.

The municipality received money from OLEDA for their intern salaries.

Overstrand Local Economic Development Agency (Pty) Ltd (OLEDA) income received on behalf of entity

A grant was paid to OLEDA in order to perform its functions with regard to the promotion of local economic development in accordance with Overstrand Municipality's Integrated Development Plan.

Subsidies paid to Overstrand Local Economic Development Agency (Pty) Ltd (OLEDA)

750,000

#### Related party transactions

Related party balances

Overstrand Local Economic Development Agency (Pty) Ltd (OLEDA) is 100% wholly owned entity controlled by Overstrand Municipality.

Relationships

#### 46. Related parties

Fees	2,266,910
	3,102,087

#### 45. Auditors' remuneration

Employee costs	127,919,992
	161,373,530

Impairment on property, plant and equipment	34,145,424
	101,142,706

(Deficit) / surplus on sale of property, plant and equipment	(331,290)
	7,046,456

• Premises	178,365
• Equipment	1,760,860

• Contractual amounts	46,200
• Contractual amounts	36,000

Operating lease charges	1,807,060
	214,365

Premises	178,365
• Contractual amounts	1,760,860

Operating (deficit) surplus	46,200
	36,000

Operating (deficit) surplus for the year is stated after accounting for the following:	1,807,060
	214,365

Figures in Rand	2010
	2009

## Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

**Overstrand Municipality**

All of these so-called funds are multi-employee plans and are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

These funds are governed by the Pension Funds Act and include both defined benefit and defined contribution schemes.

Employees belong to a variety of approved Pension and Provident Funds as described below.

All councillors belong to the Pension Fund for Municipal Councillors.

Different pension schemes.

Overstrand Municipality makes provision for post-retirement benefits to eligible councillors and employees, who belong to

#### 51. Multi-employer retirement benefit information

Openning balance	3,317,403	3,328,676
(1,410,273)	1,918,403	1,918,403
Transfer to fund	11,273	11,273

The balance consists solely of existing unsecured loans received from the national housing board in accordance with the Housing Act, 1997.

The housing development fund was established according to the Housing Act, 1997.

#### 50. Housing development fund

Eroneous payment made to supplier (2010)	Steps taken to recover funds.
Payment to fraudulent bank account (2009)	Referred to oversight committee for investigation. Recovered from responsible party.
Inciident	Disciplinary steps/criminal proceedings

Recovered / approved by council	Fruitless and wasteful expenditure
(5,863)	Openning balance
5,718	Recovered
356,250	5,718
(185,718)	5,863
176,250	5,718

#### 49. Fruitless and wasteful expenditure

Expenditure was conducted in accordance with Overstrand municipality's supply chain management policy.	Expenditure was incurred in accordance with the supply chain management policy.
The irregular expenditure for legal costs and management of informal settlements costs was resolved to be written off by the ordinary meeting of the council on 29 July 2010.	
Expenditure was not incurred in accordance with the supply chain management policy.	
Expenditure was conducted in accordance with the supply chain management policy.	
Approved by council	Short advertisement period
(17,753,025)	Procurement quotes
-	Persons used as directors of suppliers
12,539,148	Legal costs
2,000	Leisure
4,175	1,460,381
13,252	1,051,928
1,795,222	1,795,222
1,460,381	904,346
3,268,855	1,460,381
3,268,855	Legal costs
17,427	Leisure
3,268,855	Leisure

#### 48. Irregular expenditure

Figures in Rand	2010	2009
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#### Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

Overstrand Municipality

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009.

#### Cape Joint Retirement Fund:

The statutory valuation performed as at 30 June 2009 revealed that the investment reserve of the fund amounted to R 1 171 (30 June 2008: R12 033) million, with a funding level of 100,3% (30 June 2008: 103,3%). The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is sufficient to fund the benefits accruing from the fund in the future.

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009.

#### Cape Joint Pension Fund:

The statutory valuation performed as at 30 June 2009 revealed that the investment reserve of the fund amounted to R 1 171 (30 June 2008: R12 033) million, with a funding level of 100,3% (30 June 2008: 103,3%). The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is sufficient to fund the benefits accruing from the fund in the future.

#### DEFINED CONTRIBUTION SCHEMES

A contribution rate is paid by the members (7,50%) and municipalities (between 15% and 22%).

#### Local Government Pension Fund:

No details could be provided for the fund and of any valuation performed.

The municipality (15,00% to 20,80%) is sufficient to fund the benefits accruing from the fund in the future. The statutory valuation performed as at 1 July 2007 revealed that the fund had a surplus of R58,4 (1 July 2006: R286,0) million, with a funding level of 110% (1 July 2006: 106%). The contribution rate paid by the members (7,50% to 9,00%) and the municipalities (15,00% to 20,80%) is sufficient to fund the benefits accruing from the fund in the future.

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 1 July 2007.

#### South African Local Authorities Fund (SALA):

The statutory valuation performed as at 30 June 2006 revealed that the fund had a surplus of R0,0 (30 June 2004: R-12,78 million, with a funding level of 100,0% (30 June 2004: 96,5%). The contribution rate paid by the members (7,00%) and the municipalities (13,00%) is sufficient to fund the benefits accruing from the fund in the future.

The scheme is subject to an tri-annual actuarial valuation. The last statutory valuation was performed as at 30 June 2006.

#### Government Employees Pension Fund (GEPF):

than the recommended contribution rate of 32,1%.

The statutory valuation performed as at 30 June 2008 (R0,0) million. The contribution rate paid by the members (9,00%) and the municipalities (18,00%) is less than the recommended contribution rate of 32,1%.

The scheme is subject to an annual actuarial valuation. The last statutory valuation was performed as at 30 June 2009.

#### DEFINED BENEFIT SCHEMES

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

The total expense recognised in the Statement of Financial Performance of R6,2 million (2009: R5,6 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

Where contributions / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions.

employer.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employee.

(iii) The same rate of contribution applies to all participating employees and no regard is paid to differences in the membership distribution of the participating employees.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each employer.

(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating following reasons:-

Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the

#### 51. Multi-employee benefit information (continued)

Figures in Rand

2010

2009

#### Notes to the Financial Statements

Financial Statements for the year ended June 30, 2010

#### Overstrand Municipality

## 51. Multi-employer retirement benefit information (continued)

## **Notes to the Financial Statements**

Financial Statements for the year ended June 30, 2010

## Overstrand Municipality

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Figures in Rand 2009 2010 2009

## Overstrand Municipality

### Notes to the Financial Statements

Financial Statements for the Year ended June 30, 2010

	2010	2009	Figures in Rand
Water	Electicity	%	%
5,230,268	9,195,433	9.3%	27.43%
5230268	9195433	%	%
2009	2010	Rand value	Rand value
Water	Electicity	%	%
5,230,268	9,195,433	9.3%	27.43%
2009	2010	Rand value	Rand value

#### 54. Distribution losses

Material water losses to the amount of R9 195 433 (27.43%) were incurred as a result of unmetered connections, ageing pipelines infrastructure, burst pipes, old reticulation networks and other leakages as well as unmetered consumers in the municipality like fire and parks services. Alien vegetation infiltration in watercourses and catchment areas is also a contributing factor.

Electicity losses amounting to R5 230 268 (9.3%) were also incurred. This is as a result of technical losses caused by the nature of electricity and the manner of its distribution, via the network, status/condition and age of the network, weather conditions, and load on the system, as well as non-technical losses such as theft and vandalism.

There are possible fraudulent claims in respect of the Working for Water project carried out on behalf of the Department of Water Affairs and Forestry. There is alleged negligence and breach of fiduciary duties by the water services manager resulting in potential fraud and wasteful expenditure of R4 million.

#### 55. Investigations

**OVERSTRAND MUNICIPALITY**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

**5.2. Statement of comparative and actual information**

	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of MFMA)	Virement R'000 (i.t.o. council approved policy)	Final Budget	2010			
					Actual Outcome	Unauthorised Expenditure	Variance	Actual Outcome as % of Final Budget
<b>Financial Performance</b>								
Property rates	120,829,900	-	-	120,829,900	121,922,911	-	1,093,011	101%
Service charges	293,754,590	-	-	293,754,590	292,633,636	-	(1,120,954)	100%
Investment Revenue	19,932,000	(14,330,825)	-	5,601,175	4,956,885	-	(644,290)	88%
Transfers recognised - Operational	37,120,880	2,841,663	-	39,962,543	34,890,929	-	(5,071,614)	87%
Other own revenue	48,237,655	(7,756,634)	-	40,481,021	42,522,180	-	2,041,159	105%
<b>Total Revenue (excl. capital transfers and contributions)</b>	<b>519,875,025</b>	<b>(19,245,796)</b>	<b>-</b>	<b>500,629,229</b>	<b>496,926,541</b>	<b>-</b>	<b>(3,702,688)</b>	<b>99%</b>
Employee costs	154,736,840	84,650	-	154,821,490	156,843,819	-	2,022,329	101%
Remuneration of councillors	4,821,810	(226,270)	-	4,595,540	4,529,711	-	(65,829)	99%
Debt impairment	2,000,000	-	-	2,000,000	9,507,272	-	7,507,272	475%
Depreciation & asset impairment	36,348,990	72,401,531	-	108,750,521	101,259,706	-	(7,490,815)	93%
Finance charges	21,375,813	(4,895,542)	-	16,480,271	19,294,616	-	2,814,345	117%
Bulk purchases	81,800,080	(515,080)	-	81,285,000	78,005,898	-	(3,279,102)	96%
Transfers and grants	14,000,000	-	-	14,000,000	11,817,760	-	(2,182,240)	84%
Other expenditure	203,164,460	(154,398)	-	203,010,062	174,213,763	-	(28,796,299)	86%
<b>Total Expenditure</b>	<b>518,247,993</b>	<b>66,694,891</b>	<b>-</b>	<b>584,942,884</b>	<b>555,472,545</b>	<b>-</b>	<b>(29,470,339)</b>	<b>95%</b>
<b>Surplus (Deficit)</b>	<b>1,627,032</b>	<b>(85,940,687)</b>	<b>-</b>	<b>(84,313,655)</b>	<b>(58,546,004)</b>	<b>-</b>	<b>25,767,651</b>	<b>69%</b>
Transfers recognised - capital	38,062,120	(13,422,222)	-	24,639,898	21,761,245	-	(2,878,653)	88%
Contributions recognised - capital and contributed assets	-	-	-	-	-	-	-	57%
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>39,689,152</b>	<b>(99,362,909)</b>	<b>-</b>	<b>(59,673,757)</b>	<b>(36,784,759)</b>	<b>-</b>	<b>22,888,998</b>	<b>62%</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-33%
<b>Surplus (Deficit) for the year</b>	<b>39,689,152</b>	<b>(99,362,909)</b>	<b>-</b>	<b>(59,673,757)</b>	<b>(36,784,759)</b>	<b>-</b>	<b>22,888,998</b>	<b>62%</b>
								-33%

**OVERSTRAND MUNICIPALITY**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

**52. Statement of comparative and actual information**

2010							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of MFMA)	Virement R'000 (i.t.o. council approved policy)	Final Budget	Actual Outcome	Unauthorised Expenditure	Variance
<b>Capital expenditure and funds sources</b>							
Total capital expenditure	162,326,820	(48,377,177)	-	113,949,643	108,844,795	-	(5,104,848)
Transfers recognised - capital	38,062,120	(13,422,222)	-	24,639,898	21,761,245	-	(2,878,653)
Public contributions & donations	70,000,000	-	-	70,000,000	70,000,000	-	-
Borrowing	54,264,700	(34,954,955)	-	19,309,745	17,083,550	-	(2,226,195)
Internally generated funds							
<b>Total Capital Funding</b>	<b>162,326,820</b>	<b>(48,377,177)</b>	<b>-</b>	<b>113,949,643</b>	<b>108,844,795</b>	<b>-</b>	<b>(5,104,848)</b>
<b>Cash flows</b>							
Net cash from (used) operating	70,172,002	(4,134,615)	-	66,037,387	62,672,148	-	(3,365,239)
Net cash from (used) investing	(118,782,417)	-	-	(118,782,417)	(111,950,557)	-	6,831,860
Net cash from (used) financing	60,915,573	-	-	60,915,573	57,041,819	-	(3,873,754)
Cash/cash equivalents at the year end	12,305,158	(4,134,615)	-	8,170,543	7,763,410	-	(407,133)
							95%
							63%

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**Note 47: Deviations from supply chain management regulations ( ... continued from pg 44)**

**TENDERS AND QUOTATIONS DEVIATIONS FOR THE PERIOD 1 JULY 2009 TO 30 JUNE 2010**

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
SC423d2/2008	08/07/2009	SCM Reg 36(1)(a)(v)	Additional Security Services Onrus Caravan Park	Onrus Caravan	Andy's Low Profile	24,000.00	
SC601a/2009	15/07/2009	SCM Reg 36(1)(a)(v)	Cleaning of Ablution Facilities	Zwellinle	Noni & Sons Transport & Projects	72,250.00	
SC897/2009	03/07/2009	SCM Reg 36(1)(a)(v)	Repair enjin CEM 11348	Hermanus	Worcester Ejin Sentrum	14,650.00	
SC702/2009	08/07/2009	SCM Reg 36(1)(a)(ii)	Anti-Corruption Workshop	Oversstrand	Spartan Forensic Services	19,000.00	
SC702a/2009	31/07/2009	SCM Reg 36(1)(a)(ii)	Anti-Corruption Workshop	Oversstrand	Spartan Forensic Services	19,000.00	
SC706/2009	16/07/2009	SCM Reg 36(1)(a)(v)	Accommodation four Traffic Officers attending Gene Louw College	Oversstrand	Silver Protea Accommodation	43,877.19	
SC707/2009	16/07/2009	SCM Reg 36(1)(a)(ii)	Training of four traffic officers at Gene Louw Traffic College	Oversstrand	Gene Louw Traffic College	16,055.86	
SC716/2009	11/08/2009	SCM Reg 36(1)(a)(v)	Purchase of Blumen	Gansbaai	Tosas (Pty) Ltd	24,600.00	
SC722/2009	14/08/2009	SCM Reg 36(1)(a)(ii)	Repairs to CEM 12879	Oversstrand	Fire Raiders Cape (Pty) Ltd	53,930.23	
SC730/2009	02/09/2009	SCM Reg 36(1)(a)(v)	Promoting community based initiatives	Oversstrand	Oversstrand Foundation	25,000.00	
SC731/2009	01/09/2009	SCM Reg 36(1)(a)(ii)	Blue flag beach registration fees	Oversstrand	Wild Life & Environmental Soc	33,000.00	
SC736/2009	11/09/2009	SCM Reg 36(1)(a)(ii)	Repair to Radio's	Oversstrand	Benilekor Communications	15,838.00	
SC736a/2009	15/09/2009	SCM Reg 36(1)(a)(ii)	Repair to Radio's	Oversstrand	Benilekor Communications	10,374.00	
SC739/2009	11/09/2009	SCM Reg 36(1)(a)(ii)	Repairs to CEM 2869 Tata Fire Brigade	Gansbaai	Africa Truck Sales	16,478.54	
SC727a/2009	23/11/2009	SCM Reg 36(1)(a)(v)	Kleinmond Stores Steel Structure	Kleinmond	J & A engineering Services	3,000.00	
SC742/2009	18/08/2009	SCM Reg 36(1)(a)(ii)	Butterworths Publishers Deedsearch	Oversstrand	Lexis Nexis	12,000.00	
SC747/2009	02/10/2009	SCM Reg 36(1)(a)(v)	SLA Engineering Management Information System	Oversstrand	Water Management Services cc	366,050.00	
SC748/2009	23/09/2009	SCM Reg 36(1)(a)(v)	Repairs to Onrus Main Sewage Pump Station	Hermanus	HSM (Pty) Ltd	153,641.00	
SC758/2009	12/10/2009	SCM Reg 36(1)(a)(ii)	Repairs to ABB Magflow Meters	Hermanus	Pizm Systems Ltd	49,044.00	
SC766/2009	23/10/2009	SCM Reg 36(1)(a)(v)	Repairs to pumps at Sewerage and water treatment plants	Hermanus	HM Irrigation cc	36,869.46	
SC767/2009	23/10/2009	SCM Reg 36(1)(a)(ii)	Workshop: Lifting Tackle Inspection	Oversstrand	Micronega Professional Risk Solutions	33,600.00	
SC774/2009	03/11/2009	SCM Reg 36(1)(a)(v)	Upgrades EMS System Overtime related controls	Oversstrand	Water Management Services	17,662.50	
SC775/2009	03/11/2009	SCM Reg 36(1)(a)(ii)	UV/Lamps for SMP 250-200-4 6kw	Kleinmond	Nine Kings CC	21,580.00	
SC776/2009	05/11/2009	SCM Reg 36(1)(a)(ii)	Repair of telemetry system	Gansbaai	Spectrum Communications	21,455.00	
SC777a/2009	16/11/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Refurbishment of 2 electric motors	Hermanus	J. Schipper & Sons	15,843.44	
SC777b/2009	16/11/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Refurbishment of 4 electric motors	Hermanus	SEV Eurodrive	76,559.12	
SC777c/2009	16/11/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Refurbishment of Hansen	Hermanus	J. Schipper & Sons	10,539.30	
SC777d/2009	16/11/2009	SCM Reg 36(1)(a)(i)	Gearbox	Hermanus	TGS (Transmission Gear Services Cape)	49,294.00	
SC777e/2009	22/12/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Install Aerators	Hermanus	Water & Sanitation Services SA	15,587.74	
SC777f/2009	22/12/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Install 4x Mixers	Hermanus	Water & Sanitation Services SA	9,980.00	
SC777h/2009	22/12/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Repair Internal Pumps Preekstoel	Hermanus	Water & Sanitation Services SA	7,986.00	
SC777i/2009	22/12/2009	SCM Reg 36(1)(a)(i)	Waste Water Treatment Plant Replace & Repair Clarifier	Hermanus	Water & Sanitation Services SA	26,277.50	
SC778j/2009	23/11/2009	SCM Reg 36(1)(a)(v)	Overview of Coastal Processes i.t.o. moving dune	Belliesbaai/ M Oren	Water & Sanitation Services SA	6,371.14	
						10,000.00	

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
SC782/2009	16/11/2009	SCM Reg 36(1)(a)(ii),(v)	ProtoGraph - Class B - Voltage quality recorder	Gansbaai	Cf Lab	15,000.00	
SC785/2009	16/12/2009	SCM Reg 36(1)(a)(ii)	Repairs to Heil 4000 Compactor CEM 23618	Hermanus	TransTech	23,192.20	
SC786/2009	20/11/2009	SCM Reg 36(1)(a)(i)	Fire disaster Kleinmond Overstrand	Kleinmond	Overstrand Build It	60,360.96	
SC787/2009	27/11/2009	SCM Reg 32(1)(a)-(d)	Implementation of Basic Performance Management Process	Overstrand	Ignite Advisory Services	310,245.61	
SC788/2009	23/11/2009	SCM Reg 36(1)(a)(ii)	Vacuum pumps for Sewerage Tankers CEM 10616 CEM 4439	CEM 6395	BroomEngineering		
SC789/2009	27/11/2009	SCM Reg 36(1)(a)(v)	Repair Sewerage Pumps	Kleinmond	Pump Service Centre	22,806.56	
SC795/2009	10/12/2009	SCM Reg 17(1) c	Water Samples Blue Flag Beaches	Overstrand	EnviroCare	21,240.00	
SC796/2009	11/12/2009	SCM Reg 36(1)(a)(ii)	Service, programming, auditing PMAX meters	Overstrand	PJ Technologies	25,155.00	
SC797/2009	11/12/2009	SCM Reg 36(1)(a)(v)	Repair Sewerage Pumps different sites	Kleinmond	Pump Service Centre	44,401.09	
SC798/2009	14/12/2009	SCM Reg 36(1)(a)(ii)	Repair Alum Floculation closing station and chlorine	Hermanus	Maxal Projects	18,975.00	
SC799/2009	15/12/2009	SCM Reg 36(1)(a)(ii)	Groupwise Client for Collaborator	Hermanus	Lateral Dynamics	90,000.00	
SC800/2009	15/12/2009	SCM Reg 36(1)(a)(i)	Repair of sludge return sewage pump WWTW	Hermanus	HSM (Pty) Ltd	4,1085.00	
SC801/2009	17/12/2009	SCM Reg 36(1)(a)(v)	Repair ultraviolet installation Kleinmond Sewage Plant	Kleinmond	Nine Kings (Pty) Ltd	34,951.00	
SC802/2009	17/12/2009	SCM Reg 36(1)(a)(v)	Repairs to Stamford Waste Water Treatment Plant	Stanford	G W Trautmann cc	44,043.32	
SC806b/2007	28/12/2009	SCM Reg 36(1)(a)(v)	Repair door-scanners	Overstrand	Supervision Biometric systems	25,988.33	
SC266b/2008	24/11/2009	ExtentionsSC266/2008	Bulk SMS Tool	Overstrand	Super vision (Pty) Ltd	48,000.00	
SC523a/2008	23/03/2010	SCM Reg 36(1)(a)(v)	Upgrade of Pro-Audit Advisor: Training	Overstrand	CQS Technology Holdings (Pty) Ltd	20,000.00	
SC555a/2009	24/02/2010	SCM Reg 36(1)(a)(v)	Socio-Economic data licence	Overstrand	Quantic Research Pty Ltd	17,544.45	
SC708b/2009	17/03/2010	Retention SC708/2009	Construction of Sewer Pipeline in Kleinmond	Kleinmond	Peter Starke Civils cc	65,403.80	
SC710/2009	24/07/2009	Sale Agreement	Purchase of erf 730 Hermanus	Hermanus	LCSteyn & Co/Bleitman	1,831,208.70	
SC711/2009	27/07/2009	SCM Reg 36(1)(a)(v)	Project Admin Kleinmond Harbour Development	Kleinmond	Taylor v Rensburg v d Spuy Trust	80,516.92	
SC712/2009	06/07/2009	SCM Reg 36(1)(a)(i)	Fire Disaster 2 Aug 09 Overhills Kleinmond	Kleinmond	Overstrand Build It (Pty) Ltd	54,298.90	
SC716a/2009	05/03/2010	SCM Reg 36(1)(a)(v)	Purchase of Bitumen	Gansbaai	Tosas (Pty) Ltd	25,550.00	
SC744a/2009	05/02/2010	SCM Reg 36(1)(a)(v)	Lifesaving Services (Kleinmond Lagoon)	Kleinmond	Nationale See & Sand Institutuut (See & Sand)	16,105.26	
SC777/2009	18/03/2010	SCM Reg 36(1)(a)(v)	Waste Water Treatment Plant 4 x Mixer Gearboxes & Repairs	Hermanus	Water & Sanitation Services SA	106,880.37	
SC777R/2009	23/03/2010	SCM Reg 36(1)(a)(v)	Rebuild Lime Dosing Pump no2 at Hermanus WTW	Hermanus	Water & Sanitation Services SA	35,069.25	
SC777/2009	23/03/2010	SCM Reg 36(1)(a)(v)	Emergency Repairs to Lime Dosing pump Hermanus WTW	Hermanus	Water & Sanitation Services SA	7,854.50	
SC777m/2009	23/03/2010	SCM Reg 36(1)(a)(v)	Repair Pumps of WTW after flood	Hermanus	Water & Sanitation Services SA	19,536.75	
SC806/2009	06/01/2010	SCM Reg 36(1)(a)(ii)	Rope rescue training	Overstrand	Hi-angle Rescue & Access	29,700.00	
SC810/2010	19/01/2010	SCM Reg 36(1)(a)(ii)	Calibration of vehicle testing equipment	Overstrand	Clifford Technical Services	7,149.12	
SC816/2010	15/01/2010	SCM Reg 36(1)(a)(ii)	Chlorination System Booster Pump Upgrade	Hermanus	Maxal Projects	15,683.90	
SC817/2010	29/01/2010	SCM Reg 36(1)(a)(v)	Water Management Services : Plantman Module	Overstrand	Water Management Services CC	389,000.00	49000
SC819/2010	04/02/2010	SCM Reg 36(1)(a)(v)	Repair Sludge Return Valve	Hermanus	HSM (PTY) Ltd	38,265.00	
SC820/2010	28/10/2010	SCM Reg 36(1)(a)(ii)	Slurry Dust & Road Stone Tar & Reseal	Gansbaai	Afrimar Prima Klipbokers	24,394.38	
SC820a/2010	05/03/2010	SCM Reg 36(1)(a)(ii)	Slurry Dust & Road Stone Tar & Reseal	Gansbaai	Afrimar Prima Klipbokers	25,600.10	
SC828/2010	01/03/2010	SCM Reg 36(1)(a)(ii)	TAG Rugby Programme Gansbaai 2010	Gansbaai	TAG Rugby	100,000.00	
SC833/2010	03/03/2010	SCM Reg 36(1)(a)(ii)	Building Services Module	Overstrand	Water Management Services CC		175215
SC835/2010	05/03/2010	SCM Reg 36(1)(a)(v)	Mycity data service for water services monitoring	Overstrand	Flotron Instrumentation Services	22,900.00	
SC324b/2008	25/03/2010	SCM Reg 36(1)(a)(v)	Licence Fee Groupwise Novel	Overstrand	Lateral Dynamics (Pty) Ltd	350,469.00	
SC575a/2009	30/04/2010	SCM Reg 36(1)(a)(v)	Benchmarking Market-related Remuneration M.M. & Section 56	Managers			
SC025a/2006	02/06/2010	SCM Reg 36(1)(a)(v)	Printing of Water & Electricity Accounts	Overstrand	CAB HoldingsPty	244,665.20	
SC845/2010	23/03/2010	SCM Reg 36(1)(a)(ii)	Drivers Licence cards Prodiba Feb 2010	Overstrand	Prodiba (Pty) Ltd	19,252.61	
SC847/2010	26/03/2010	SCM Reg 36(1)(a)(v)	Develop Sambabai Commongage EIA & Other Studies	Hermanus	Plan Active	16,758.10	
SC848/2010	26/03/2010	SCM Reg 36(1)(a)(v)	Develop Sambabai Commongage Engineering Services	Hermanus	ICE Group (Pty) Ltd	85,241.90	

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
SC851/2010	08/04/2010	SCM Reg 36(1)(a)(ii)	Press shaft with brushes Gansbaai WWTW	Gansbaai	G W Trautmann cc	33,192.25	
SC857/2010	21/04/2010	SCM Reg 36(1)(a)(v)	By pass faulty protection relays Still Street	Hermanus	Onlab	24,306.20	
SC858/2010	21/04/2010	SCM Reg 36(1)(a)(ii)	Audit programme & maintenance Emax meters	Overstrand	PJ Technologies	29,025.00	
SC859/2010	21/04/2010	SCM Reg 36(1)(a)(ii)	Repair Transmission CEM 12876	Hermanus	Overberg Agri	26,255.05	
SC861/2010	28/04/2010	SCM Reg 36(1)(a)(ii)	Road stone for road resurfacing	Gansbaai	Afriat Prima Klipbrekers	21,241.00	
SC862/2010	23/04/2010	SCM Reg 36(1)(a)(v)	Repair ultraviolet installation Kleinmond Sewage Plant	Kleinmond	Nine Kings (Pty) Ltd	15,860.88	
SC866/2010	28/04/2010	SCM Reg 36(1)(a)(v)	Contribution for INDABA to Destination Marketing Organisation	Overstrand	DIMO (Desi- nation Marketing Organisation)	50,000.00	
SC868/2010	04/05/2010	SCM Reg 36(1)(a)(ii)	Purchasing of Chemicals	Overstrand	Metsi Chem Ikaa	194,370.00	
SC875/2010	11/05/2010	SCM Reg 36(1)(a)(ii)	Equipment for Gateway well (EC Meters, water level sensor and MyCity Telemetry)	Hermanus	Flotron Instrumentation Services	42,809.00	
SC876/2010	11/05/2010	SCM Reg 36(1)(a)(ii)	Meter audit	Gansbaai	PJ Technologies	26,125.00	
SC877/2010	12/05/2010	SCM Reg 36(1)(a)(v)	Repair Sewerage Pumps at various sites	Kleinmond	Pump Service Centre	23,582.36	
SC879/2010	28/05/2010	SCM Reg 36(1)(a)(ii)	Purchase Imagedograph & PQ Recorders	Kleinmond en H C T LAB (Pty) Ltd		299175	
SC880/2010	19/05/2010	SCM Reg 36(1)(a)(v)	Transport of prosthetic whale body ex Noordhoek Beach to Hermanus Central	Hermanus	Imvusa Transport	38,700.00	
SC881/2010	20/05/2010	SCM Reg 36(1)(a)(i)	Helicopter fees for fire fighting Hawston 29 Dec 2009	Hermanus	FFA Aviation	147,422.00	
SC 887/2010	01/06/2010	SCM Reg 36(1)(a)(ii)	Repair s & Maintenance of WAP high pressure pumps.	Hermanus	Boland Hoedruksuite	14,939.42	
SC889/2010	25/06/2010	SCM Reg 36(1)(a)(v)	Training to meet National Treasury's minimum competency levels	Overstrand	University of Pretoria	356,250.00	
SC891/2010	15/06/2010	SCM Reg 36(1)(a)(v)	Repair Sewerage Pump Paarlrivier	Kleinmond	Tri-com Africa	20,820.00	
	15/07/2009	SCM Reg 36(1)(a)(ii)	Cable joining HT cable ends Hawston Kerkstr	Hermanus	Giles Superstension	2,179.00	
	15/07/2009	SCM Reg 36(1)(a)(ii)	Repair jointing HT cable Mariners Village	Hermanus	Giles Superstension	2,338.00	
	28/07/2009	SCM Reg 36(1)(a)(ii)	Repair faulty cable to the provincial hospital	Hermanus	Giles Superstension	2,888.00	
	21/07/2009	SCM Reg 36(1)(a)(ii)	Slurry Dust for the repair of streets	Gansbaai	Afriat (Prima Klipbrekers)	4,905.63	
	17/07/2009	SCM Reg 36(1)(a)(ii)(v)	ISS Forms	Overstrand	Prodiba Pty Ltd	6,108.00	
	22/07/2009	SCM Reg 36(1)(a)(ii)	Repair faulty EC transmitter at GWP01	Hermanus	Flotron Instrumentation Service	6,225.00	
	27/07/2009	SCM Reg 36(1)(a)(ii)	DL Envelopes	Hermanus	SA Post Office	10,530.70	
	28/07/2009	SCM Reg 36(1)(a)(ii)	Service KLEINMOND TELEMETRY	Kleinmond	Spectrum Communications	11,457.00	
	17/07/2009	SCM Reg 36(1)(a)(ii)	New Telephone points Orms Eng offices	Hermanus	GUJMA Ast Holdings	14,480.00	
	16/07/2009	SCM Reg 36(1)(a)(ii)	Repairs to panel at Nerina SIS	Hermanus	ABB SOUTH AFRICA (Pty) Ltd	15,000.00	
	22/07/2009	SCM Reg 36(1)(a)(ii)	Prepaid Envelopes for traffic Dept.	Hermanus	SA Post Office	15,796.05	
	09/07/2009	SCM Reg 36(1)(a)(v)	Service CATERPILLAR 428 E – CEM 31789	Kleinmond	Bartoworld Equipment	1,165.15	
	28/07/2009	SCM Reg 36(1)(a)(v)	Repairs CEM15468	Hermanus	Mitsubishi Motors Paarden Eiland	3,758.40	
	09/07/2009	SCM Reg 36(1)(a)(v)	Leak detection Kleinmond	Kleinmond	Detect-a-Leak	5,387.50	
	14/07/2009	SCM Reg 36(1)(a)(v)	Repair HAWSTON LT CABLE	Hermanus	Adenco Construction (Pty) Ltd	7,224.50	
	09/07/2009	SCM Reg 36(1)(a)(v)	Service CATERPILLAR 428E CEM 31789	Kleinmond	Bartoworld Equipment	10,047.00	
	31/07/2009	SCM Reg 36(1)(a)(v)	Repairs Grader CEM2424	Hermanus	Barloworld Equipment	10,404.03	
	20/07/2009	SCM Reg 36(1)(a)(v)	Hydrollic repairs to Nissan UD90 CEM 15338	Hermanus	Hyco Hydraulics and Pneumatics	14,500.00	
	10/07/2009	SCM Reg 36(1)(a)(v)	Duplicate keys Mercedes Benz CAM 9879	Kleinmond	Rola Motors	1,862.44	
	23/07/2009	SCM Reg 36(1)(a)(v)	Alarms Kleinmond traffic office	Kleinmond	Sandown Bay Security CC	4,135.36	
	30/07/2009	SCM Reg 36(1)(a)(v)	Remote control Autodrom lights	Hermanus	Alfe Electrical CC	4,222.68	
	10/07/2009	SCM Reg 36(1)(a)(v)	Trimming and topping and felling of tree	Hermanus	D Fourie	5,087.72	
	23/07/2009	SCM Reg 36(1)(a)(v)	Advertising Onrus Caravan Park	Hermanus	SACCTN	5,300.00	
	22/07/2009	SCM Reg 36(1)(a)(v)	Cat spray to repair roads	Gansbaai	Tosas	10,892.00	
	06/08/2009	SCM Reg 36(1)(a)(ii)	Repair cable main feeders between Golf Club and Kwaaiwater switching stations	Hermanus	Giles Superstension	2,880.00	
	03/08/2009	SCM Reg 36(1)(a)(ii)	Repairs high pressure WAPDX860	Hermanus	Blue Stands Trading 275 BK Ha	3,028.70	

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
17/08/2009	SCM Reg 36(1)(a)(ii)	Replace bushes on compactor at sewage works	Gansbaai	GW Trautmann	8 400.00		
04/08/2009	SCM Reg 36(1)(a)(ii)	Grade D driving licences examiner	Hermanus	Gene Louw Traffic College	1 1,676.96		
11/08/2009	SCM Reg 36(1)(a)(v)	Hydrolic repairs to FORD FT7610 TRACTOR CEM 9837	Stamford	L.T. de Jager	3 859.65		
18/08/2009	SCM Reg 36(1)(a)(v)	Security guards Gansbaai Stortingsterrein	Gansbaai	Safe Security Systems Gansbaai	6 762.71		
18/08/2009	SCM Reg 36(1)(a)(v)	Security guards Gansbaai Werkspleas	Gansbaai	Safe Security Systems Gansbaai	7 540.42		
18/08/2009	SCM Reg 36(1)(a)(v)	Security guards Gansbaai Rioolplaas	Gansbaai	Safe Security Systems Gansbaai	7 540.42		
13/08/2009	SCM Reg 36(1)(a)(v)	Cat spray to repair roads	Gansbaai	Tosas	8 558.00		
21/09/2009	SCM Reg 36(1)(a)(ii)	Repair Prograph	Gansbaai	CT LAB	2 000.00		
10/09/2009	SCM Reg 36(1)(a)(ii)	Repairs Shack attack pressure unit	Gansbaai	Fire Raiders Cape	2 303.31		
21/09/2009	SCM Reg 36(1)(a)(ii)	Repairs to BEC44 Meters	Gansbaai	MERLIN GERIN SA (CONLOG)	2 397.00		
07/09/2009	SCM Reg 36(1)(a)(ii)	Spy-Yel Quick seals PMD logo & serial no.	Kleinmond	Power Measurement and Distribution	3 250.00		
04/09/2009	SCM Reg 36(1)(a)(ii)	Service Cylinders	Gansbaai	Drager SA	4 350.00		
04/09/2009	SCM Reg 36(1)(a)(ii)	Repair H.P Breathing air comp	Gansbaai	High Pressure Systems	4 522.90		
10/09/2009	SCM Reg 36(1)(a)(ii)	Repairs Trailer CEM 3366	Gansbaai	Fire Raiders Cape	5 532.50		
29/09/2009	SCM Reg 36(1)(a)(ii)	Repairs Wildfire Ultrastriker	Gansbaai	Fire Raiders Cape	6 995.75		
16/09/2009	SCM Reg 36(1)(a)(ii)	Service and repair of telemetry system	Gansbaai	Spectrum Communications	9 400.00		
21/09/2009	SCM Reg 36(1)(a)(ii)	Training and software upgrade	Gansbaai	PJ TECHNOLOGIES	9 881.00		
16/09/2009	SCM Reg 36(1)(a)(v)	Repair P.T.O. SHAFT CEM26581 Tractor	Hermanus	URSUS S.A. (Pty) Ltd	7 506.41		
21/09/2009	SCM Reg 36(1)(a)(v)	Electrical audit services	Gansbaai	Vhukhani Electrical Pty Ltd	2 040.00		
10/09/2009	SCM Reg 36(1)(a)(v)	Supply and install under diggs at Onrus river caravan park	Hermanus	Mr Spike	8 594.74		
12/09/2009	SCM Reg 36(1)(a)(v)	Install and replacement of locks at Cashiers	Gansbaai	Prag Key and Heel Bar	9 357.02		
30/10/2009	SCM Reg 36(1)(a)(ii)	Service KLEINMOND TELEMETRY	Kleinmond	Spectrum Communications	1 928.50		
14/10/2009	SCM Reg 36(1)(a)(ii)	Jakkalsjaer	Hermanus	ASCO Family Trust	2 236.84		
20/10/2009	SCM Reg 36(1)(a)(ii)	Main broom for Duvelo 2000 (stratavveer masjen)	Hermanus	Uni-Cape Equipment	3 795.00		
30/10/2009	SCM Reg 36(1)(a)(ii)	Repair FR PUMP CEM12879	Gansbaai	Fire Raiders Cape	6 114.37		
30/10/2009	SCM Reg 36(1)(a)(ii)	Repair FR PUMP CEM14827	Gansbaai	Fire Raiders Cape	6 545.00		
07/10/2009	SCM Reg 36(1)(a)(ii)	Repair FR PUMP CEM14827	Gansbaai	Spectrum Communications	8 560.00		
13/10/2009	SCM Reg 36(1)(a)(ii)	Repair TRAILER PUMP & LOCKER CEM3366	Gansbaai	Fire Raiders Cape	11 797.50		
30/10/2009	SCM Reg 36(1)(a)(ii)	Repair FR PUMP CEM8390	Gansbaai	Fire Raiders Cape	14 185.78		
06/10/2009	SCM Reg 36(1)(a)(ii)	Security badges	Oversstrand	The Badge Company	14 860.00		
27/10/2009	SCM Reg 36(1)(a)(v)	Repair air conditioner IT Server Room	Hermanus	JM Refrigeration	1 535.09		
07/10/2009	SCM Reg 36(1)(a)(v)	Repairs TOYOTA HILLUX CEM5374	Hermanus	Worcester Enginsentrum	2 301.01		
22/10/2009	SCM Reg 36(1)(a)(v)	Repair of Palmiet pumpstation PLC	Kleinmond	WJ Cotter Elekties	3 609.16		
28/10/2009	SCM Reg 36(1)(a)(v)	Repair and strip transmission CAM4022	Kleinmond	Masakihane motor repairs	4 352.00		
29/10/2009	SCM Reg 36(1)(a)(v)	Repairs to sewerage tanker	Kleinmond	Saymans Spring Works	9 300.00		
30/10/2009	SCM Reg 36(1)(a)(v)	Repair Walker lawnmower	Kleinmond	Josco Services	11 111.67		
09/10/2009	SCM Reg 36(1)(a)(v)	Premix to repair roads	Gansbaai	Tosas	8 420.00		
30/10/2009	SCM Reg 36(1)(a)(v)	Premix to repair roads	Gansbaai	Tosas	9 060.00		
28/10/2009	SCM Reg 36(1)(a)(v)	Road Gravel	Gansbaai	CS Groenewald	1 1,550.00		
23/10/2009	SCM Reg 36(1)(a)(v)	Road stone 6.7mm and 13.2mm	Hermanus	Afimak (Prima Klipbrekers)	11 637.00		
27/11/2009	SCM Reg 36(1)(a)(ii)	Repairs to WAP high pressure mackine	Kleinmond	Blue Sands Trading 275 BK ha	2 082.25		
25/11/2009	SCM Reg 36(1)(a)(ii)	SABS Cold wearing course	Hermanus	Boland Hoëdrukspuite	4 263.30		
25/11/2009	SCM Reg 36(1)(a)(ii)	SABS Cold wearing course	Hermanus	Much Asphalt	4 263.30		
27/11/2009	SCM Reg 36(1)(a)(v)	Repair and service Caterpillar 428E CEM3789	Kleinmond	Barloworld Equipment	3 830.84		
24/11/2009	SCM Reg 36(1)(a)(v)	Repair exhaust manifolds CY77621	Kleinmond	Pelma Truck Repairs	4 200.00		

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
27/11/2009	SCM Reg 36(1)(a)(v)	Repair and service Caterpillar CEM19317	Kleinmond	Bartloworld Equipment		10.353.60	
06/11/2009	SCM Reg 36(1)(a)(v)	Disciplinary Hearing Paul De Villiers	Gansbaai	Linda Potgieter		3.878.00	
17/11/2009	SCM Reg 36(1)(a)(v)	Hampers for affected beneficiaries Fire Disaster	Kleinmond	Kleinmond Spear		3.939.15	
04/11/2009	SCM Reg 36(1)(a)(v)	Refreshments Mayoral Function	Hermanus	Food@Hand		7.500.00	
01/12/2009	SCM Reg 36(1)(a)(ii)	Repairs to voice recorder system	Hermanus	Omnilog		3.425.00	
10/12/2009	SCM Reg 36(1)(a)(ii)	SABS Cold wearing course	Hermanus	Much Asphalt		4.346.70	
10/12/2009	SCM Reg 36(1)(a)(ii)	SABS Cold wearing course	Hermanus	Much Asphalt		4.346.70	
10/12/2009	SCM Reg 36(1)(a)(ii)	SABS Cold wearing course	Hermanus	Much Asphalt		4.346.70	
02/12/2009	SCM Reg 36(1)(a)(v)	Repairs to radios	Hermanus	Esteaux Systems (Benilekor)		1.990.00	
02/12/2009	SCM Reg 36(1)(a)(v)	Repair Walker lawnmower	Kleinmond	Josco Services		5.776.93	
23/12/2009	SCM Reg 36(1)(a)(v)	Repair and replace faulty radios	Gansbaai	Esteaux Systems (Benilekor)		4.642.45	
21/01/2010	SCM Reg 36(1)(a)(v)	Repair DPU 2000 relays Stillstraat substation	Hermanus	ONLAB Specialist Electro Technology		5.150.00	
21/01/2010	SCM Reg 36(1)(a)(v)	Repairs Digital repeater	Gansbaai	Esteaux Systems (Benilekor)		6.807.02	
10/02/2010	SCM Reg 36(1)(a)(ii)	Supply and fit 882 Battery CEM10226 pump 1	Gansbaai	Fire Raiders Cape		1.389.25	
08/02/2010	SCM Reg 36(1)(a)(ii)	Search Works	Overstrand	Law dead solutions Pty Ltd		3.082.30	
15/02/2010	SCM Reg 36(1)(a)(ii)	Tape duct black and cable detector	Hermanus	Truvelo Manufacturers		3.215.42	
04/02/2010	SCM Reg 36(1)(a)(ii)	Water analysing Tablets Alum 1 and 2	Hermanus	Seletech		3.330.00	
18/02/2010	SCM Reg 36(1)(a)(ii)	Cold wearing course	Hermanus	Much Asphalt		4.426.68	
10/02/2010	SCM Reg 36(1)(a)(ii)	Service and repair of telemetry system	Gansbaai	Spectrum Communications		4.987.00	
02/02/2010	SCM Reg 36(1)(a)(ii)	Repair Chloror dosing system WWFTW	Hermanus	Spectrum Communications		5.200.00	
02/02/2010	SCM Reg 36(1)(a)(ii)	Repair handhelds	Hermanus	Consolidated African Technologies			
17/02/2010	SCM Reg 36(1)(a)(ii)	SP1 Spy-Yel Quick seals PMD logo & serial no.	Hermanus	Power Measurement and Distribution		6.354.00	
08/02/2010	SCM Reg 36(1)(a)(ii)	Deeds Searches Oct - Dec 2009	Overstrand	Chief registrar of deeds		9.959.65	
15/02/2010	SCM Reg 36(1)(a)(ii)	Calibration of equipment	Hermanus	Truvelo Manufacturers		11.425.11	
22/02/2010	SCM Reg 36(1)(a)(v)	Repair hydrolic system CAM31017	Kleinmond	Hyco Hydraulics and Pneumatics		1.592.10	
10/02/2010	SCM Reg 36(1)(a)(v)	Repairs CEM21823	Hermanus	Worcester Enjinserium		3.355.60	
08/02/2010	SCM Reg 36(1)(a)(v)	Repair Stihl FS500 bushcutter	Hermanus	Hermanus Mower Centre		4.471.82	
10/02/2010	SCM Reg 36(1)(a)(v)	Repairs CEM2869	Gansbaai	Tata Hermanus		5.179.74	
15/02/2010	SCM Reg 36(1)(a)(v)	Repair caterpillar 930 front end loader CAM13541	Hermanus	Masakhane motor repairs		10.079.83	
02/02/2010	SCM Reg 36(1)(a)(v)	Repair faulty radios	Gansbaai	Esteaux Systems (Benilekor)		14.290.00	
18/02/2010	SCM Reg 36(1)(a)(v)	Repair gearbox CEM 2746	Hermanus	Vaal Cape Transmission		15.260.21	
15/02/2010	SCM Reg 36(1)(a)(v)	Food for officers 31/1/2009	Overstrand	Steers Hermanus		2.964.87	
03/02/2010	SCM Reg 36(1)(a)(v)	Building sand Royal house MP sportsground, Hermanus	KONSTRUKSIE BK	LOCO GRONDVERSKUIWING &		5.811.83	
25/02/2010	SCM Reg 36(1)(a)(v)	Control of sulphide sewerage odour BZ220R	Hermanus	Bio-Systems Distribution		9.567.98	
04/03/2010	SCM Reg 36(1)(a)(ii)	Refill Drager BA cylinders	Gansbaai	Drager SA		610.00	
03/03/2010	SCM Reg 36(1)(a)(ii)	Repair and service Drager BA cylinders	Drager SA			2.100.00	
16/03/2010	SCM Reg 36(1)(a)(ii)	Spy-Yel Quick seals PMD logo & serial no.	Kleinmond	Power Measurement and Distribution		3.250.00	
09/03/2010	SCM Reg 36(1)(a)(ii)	Parts for vacuum tanks on tankers CEM25152 and CEM4439	Hermanus	Broom Engineering		3.971.00	
05/03/2010	SCM Reg 36(1)(a)(ii)	Repair and service high pressure trolley unit	Gansbaai	Fire Raiders Cape		4.299.77	
02/03/2010	SCM Reg 36(1)(a)(ii)	Cold wearing course	Hermanus	Much Asphalt		4.476.66	
09/03/2010	SCM Reg 36(1)(a)(ii)	Cold wearing course	Hermanus	Much Asphalt		4.476.66	
24/03/2010	SCM Reg 36(1)(a)(ii)	Cold wearing course	Hermanus	HSM		4.476.66	
16/03/2010	SCM Reg 36(1)(a)(ii)	Repairs Genset Onrusrivier main sewerage pump station	Hermanus			7.700.00	

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
17/03/2010	SCM Reg 36(1)(a)(ii)(v)	Service Bernad Pressure relieve valve	Stanford	Macsteel Fluid Control	8,393.80		
17/03/2010	SCM Reg 36(1)(a)(ii)(v)	Tow-in of vehicles	Hermanus	Hermanus Towing	11,906.17		
05/03/2010	SCM Reg 36(1)(a)(v)	Repairs on Talley 6045 line printer	Kleinmond	Imusa Trading t/a Ribbon Mania	3,750.00		
24/03/2010	SCM Reg 36(1)(a)(v)	Repair Onnus River power generator	Hermanus	Overberg Diesel	4,254.39		
10/03/2010	SCM Reg 36(1)(a)(v)	Service of caterpillar CAM16700	Kleinmond	Bartlowo Equipment	12,681.04		
04/03/2010	SCM Reg 36(1)(a)(v)	Service of existing industrial doors	Gansbaai	M&A Industrial doors	1,800.00		
23/03/2010	SCM Reg 36(1)(a)(v)	Repair cable on Kleinbaai main HV feeder	Gansbaai	Giles Superfension	5,000.00		
11/03/2010	SCM Reg 36(1)(a)(v)	Operating of hired power generator Onnus River	H.S.M		7,700.00		
23/03/2010	SCM Reg 36(1)(a)(v)	Fault location on Kleinbaai main HV feeder	Gansbaai	Caltest CC	9,000.00		
13/04/2010	SCM Reg 36(1)(a)(ii)	Purchase Electrode PHC2401-8	Gansbaai	Anatech Instruments Pty Ltd	2,733.60		
07/04/2010	SCM Reg 36(1)(a)(ii)	Service of UPS	Hermanus	UPS Cape t/a AC Digital energy	3,107.50		
06/04/2010	SCM Reg 36(1)(a)(ii)	Service and repair of telemetry system Fisherhaven reservoir	Hermanus	Spectrum Communications	5,160.00		
06/04/2010	SCM Reg 36(1)(a)(v)	Replace foam proportioner housing CEM10226	Gansbaai	Fire Raiders Cape	5,727.55		
06/04/2010	SCM Reg 36(1)(a)(v)	Repair and service fire fighting equipment CEM2179	Gansbaai	Fire Raiders Cape	6,970.52		
16/04/2010	SCM Reg 36(1)(a)(ii)	Repairs panel Control room Scout camp	Hermanus	HSM	8,948.75		
22/04/2010	SCM Reg 36(1)(a)(ii)	3 Phase PLC prepaid meters	Gansbaai	Landis+Gyr	14,300.00		
08/04/2010	SCM Reg 36(1)(a)(v)	Service digger loader CEM31789	Hermanus	Barloworld Equipment	10,728.85		
16/04/2010	SCM Reg 36(1)(a)(v)	Rewire and replaced burn out switch	Hermanus	Emanate Air	4,000.00		
10/04/2010	SCM Reg 36(1)(a)(v)	Fault location on MV cable	Gansbaai	Caltest CC	5,308.00		
28/04/2010	SCM Reg 36(1)(a)(v)	Faultfinding faulty MV cable	Gansbaai	Caltest CC	5,308.00		
40/183	SCM Reg 36(1)(a)(ii)	Split Meter Gemini PLC	Gansbaai	Landis+Gyr	103,000.00		
07/05/2010	SCM Reg 36(1)(a)(ii)	Cold weather course	Hermanus	Much Asphalt	4,476.68		
28/05/2010	SCM Reg 36(1)(a)(ii)	Repair WAP high pressure machine	Hermanus	Blue Sands Trading 275 BK ha	7,611.55		
31/05/2010	SCM Reg 36(1)(a)(ii)	Service and repair WAP DX860	Hermanus	Boland Hoëdrupsuite	7,611.85		
06/05/2010	SCM Reg 36(1)(a)(ii)	Payslips	Overstrand	Payday	8,295.00		
11/05/2010	SCM Reg 36(1)(a)(ii)	Repair and service fire fighting equipment CEM14827	Gansbaai	Fire Raiders Cape	12,505.85		
11/05/2010	SCM Reg 36(1)(a)(ii)	Drivers license cards Apr 2010	Gansbaai	Prodiba Pty Ltd	18,314.47		
07/05/2010	SCM Reg 36(1)(a)(ii)	Split Meter Gemini PLC	Gansbaai	Landis+Gyr	49,590.00		
16/05/2010	SCM Reg 36(1)(a)(v)	Repair diesel pump fire truck cem 2653	Gansbaai	Overberg Diesel	6,500.00		
28/05/2010	SCM Reg 36(1)(a)(v)	Repair radios	Gansbaai	Esteaux Systems (Beniekor)	11,771.64		
05/05/2010	SCM Reg 36(1)(a)(v)	Replace isolators of transformer Bergstraat Sandbaai	Hermanus	Power Transformers	2,500.00		
05/05/2010	SCM Reg 36(1)(a)(v)	Supply transformer bushings	Hermanus				
07/05/2010	SCM Reg 36(1)(a)(v)	Warm SABS wearing course	Hermanus	Much Asphalt	3,648.30		
07/05/2010	SCM Reg 36(1)(a)(v)	Warm SABS wearing course	Hermanus	Much Asphalt	3,648.30		
07/05/2010	SCM Reg 36(1)(a)(v)	Warm SABS wearing course	Hermanus	Much Asphalt	3,648.30		
28/05/2010	SCM Reg 36(1)(a)(v)	Faulty cable Uilenskraalmond	Gansbaai	Caltest CC	4,908.00		
28/05/2010	SCM Reg 36(1)(a)(v)	Fault location and testing Uilenskraalmond	Gansbaai	Boland Toilet Services	5,350.00		
14/05/2010	SCM Reg 36(1)(a)(v)	Replace one mobile toilet (damaged)	Kleinmond	Work Dynamics	12,100.00		
13/05/2010	SCM Reg 36(1)(a)(v)	Market related remuneration SEC56 Managers	Hermanus	Esteaux Systems (Beniekor)	1,267.50		
02/06/2010	SCM Reg 36(1)(a)(v)	Repair radios	Gansbaai				
14/06/2010	SCM Reg 36(1)(a)(v)	Repairs to hydrolic system CAM11187	Kleinmond	Hyco Hydraulics and Pneumatics	2,800.00		
02/06/2010	SCM Reg 36(1)(a)(v)	Service and repair Ben-Q projektor	Hermanus	Overberg Computers	3,228.07		
02/06/2010	SCM Reg 36(1)(a)(v)	Overhaul fuel pump standby generator CEM5898	Hermanus	Overberg Diesel	4,125.00		
25/06/2010	SCM Reg 36(1)(a)(v)	Repairs to diesel pump CEM11744	Gansbaai	Overberg Diesel	4,500.00		
27/06/2010	SCM Reg 36(1)(a)(v)	Service and repair of repeater at Grootsbos	Gansbaai	Esteaux Systems (Beniekor)	4,860.00		
25/06/2010	SCM Reg 36(1)(a)(v)	Service and repair of repeater Pringlebaai	Gansbaai	Esteaux Systems (Beniekor)	6,280.50		

TENDER NO	Date Awarded	Deviations	Description	Area	Awarded to	Operational	Capital
25/06/2010	SCM Reg 36(1)(a)(v)	500hour Service CEM313:39	Gansbaai	Barloworld Equipment	7,885.95		
25/06/2010	SCM Reg 36(1)(a)(v)	Repairs to 914G loader CEM28824	Gansbaai	Barloworld Equipment	14,119.84		
02/06/2010	SCM Reg 36(1)(a)(v)	Movement of Xerox WC5230 Traffic department	Hermanus	Cape Offshore Machines	565.00		
10/06/2010	SCM Reg 36(1)(a)(v)	Install loudspeaker Motorola kit CEM8390	Hermanus	Esteaux Systems (Beniekor)	1,410.00		
10/06/2010	SCM Reg 36(1)(a)(v)	Install radio CEM110	Gansbaai	Esteaux Systems (Beniekor)	3,394.92		
11/06/2010	SCM Reg 36(1)(a)(v)	Reparis telemetry system water network	Kleinmond	Spectrum Communications	5,303.28		
<b>DEVIATIONS FOR THE PERIOD 1 JULY 2008 TO 30 JUNE 2009</b>						<b>6,359 519.88</b>	<b>2,420,002.50</b>
SCM Reg 36(1)(a)(i)		An emergency (An emergency is an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action to address.)					
SCM Reg 36(1)(a)(ii)		Goods or services are produced or available from a single provider only					
SCM Reg 36(1)(a)(iii)		The acquisition of special works of art or historical objects where specifications are difficult to compile					
SCM Reg 36(1)(a)(iv)		Acquisition of animals for zoos and/or nature and game reserves					
SCM Reg 36(1)(a)(v)		Exceptional case where it was impractical or impossible to follow the official procurement processesE					

**OVERSTRAND MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**FINANCIAL INSTRUMENTS (Continued)**

**Liquidity and Interest Risk Tables**

The following tables detail the municipality's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date which the municipality can be required to pay. The table includes both interest and principal cash flows.

<b>Description</b>	Note ref in AFS	Average effective interest Rate %	Total R	Months	1 - 12	1 - 2	2 - 5	More than 5 Years
					R	R	R	R
30 June 2010								
Fixed Interest Rate Instruments	15	10.52%						
			332,961,424	28,058,590	27,971,691	75,819,100	201,112,043	
30 June 2009								
Fixed Interest Rate Instruments	15	10.20%						
			239,463,598	16,666,797	26,725,708	59,153,979	136,917,113	

**UNAUDITED APPENDIX A**  
**OVERSTRAND MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2010**

	Loan Number	Redeemable Balance at 30/06/2009 R	Received during the period R	Redeemed/ written off during period R	Balance at 30/06/2010 R	Other costs in accordance with MFMA R
<b>ANNUITY LOANS</b>						
ABSA @ 10.44%	4073054262	2024	40,000,000	-	1,191,324	38,808,676
ABSA @ 10.82%	4073923493	2024	42,000,000	-	1,211,865	40,788,135
ABSA @ 10.50%	3029589816	2024	-	-	1,027,624	68,972,376
DBSA @ 9.171%	13535102	2020	3,455,071	-	314,097	3,140,974
DBSA @ 9.171%	13543101	2019	3,009,762	-	273,615	2,736,147
DBSA @ 9.171%	13761101	2020	2,998,558	-	260,744	2,737,814
DBSA @ 12.00%	10450102	2017	822,264	-	66,034	756,230
DBSA @ 8.42%	102169/1	2022	15,883,925	-	644,250	15,239,675
RAND MERCHANT @ 10.219%		2008	8,052,996	-	8,052,995	1
INCA @ 12.82%		2012	10,002,732	-	2,429,570	-
Total annuity loans					7,573,162	-
<b>TOTAL EXTERNAL LOANS</b>		<b>126,225,308</b>	<b>70,000,000</b>	<b>15,472,119</b>	<b>180,753,189</b>	<b>-</b>

**UNAUDITED APPENDIX B**  
**OVERSTRAND MUNICIPALITY: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT**  
**30 JUNE 2010**

Cost / Revaluation						Accumulated Depreciation				Carrying Value R	
Opening Balance R	Additions R	Disposals R	Under Construction R	Transfers R	Closing Balance R	Opening Balance R	Depreciation R	Disposals R	Transfers R		
Land Land	350,071,400	7,437,905	-	-	(64,129)	357,445,176	-	-	-	357,445,176	
Buildings Operational Buildings Community Buildings	28,157,956 87,671,344	3,591,401 1,942,724	-	-	(150,000)	31,599,357 89,614,069	-	5,329,888	-	26,279,469 89,614,069	
Infrastructure Roads Sewerage Electricity Water Stormwater Drains Solid Waste Disposal Security measures	1,623,506,488 606,902,554 908,175,726 27,283,445 1,192,409,117 11,873,460 33,937,597 18,515,365	9,672,141 3,369,665 - - (3,902,804) 17,923,780 - 5,993,432	- - - - - - - 5,226,869	11,088,161 1,769,362 935,927,575 468,404 1,218,303,553 191,140,681 39,931,325 23,742,234	- - - - - - - -	1,649,266,789 1,612,041,581 341,625,442 17,539,764 854,894,361 131,026,941 3,955,316 7,156,510	707,355,134 274,809,838 17,539,764 (3,553,970) 14,955,397 1,834,665 1,525,358 7,177,128	34,384,624 12,607,800 - - - - - -	- - - - - - - -	741,739,758 287,417,638 359,165,206 866,295,788 132,861,606 58,279,075 5,480,674 7,873,538	907,527,031 324,623,943 576,762,368 352,007,765 15,868,596 34,450,651 15,868,596 115,893,538
Community Assets Recreational facilities Other community assets	4,573,818,741 94,257,930	69,188,094 127,234	(3,902,804) - -	31,249,707 - -	-	4,670,353,739 2,320,823,542 94,385,164	83,564,736 (3,553,970) 21,621,314	- - -	2,400,834,308 4,528,513 4,528,513	2,269,519,430 68,235,337 26,149,827	
Heritage Assets Heritage Assets	94,257,930	127,234	-	-	-	94,385,164	21,621,314	4,528,513	-	68,235,337	
Other Assets Furniture Equipment Vehicles Inventory	66,228,309 7,930,684 45,720,168	- (1,499,863) (93,939)	- - -	- - -	66,228,309	- - - - -	- - - - -	- - - - -	66,228,309		
Total	5,255,506,190	84,059,832	(4,294,260)	31,249,707	(214,129)	5,366,307,340	2,356,346,268	10,140,290	(3,812,491)	(10,000)	2,453,664,067 2,912,643,274

**UNAUDITED APPENDIX B**  
**OVERSTRAND MUNICIPALITY: ANALYSIS OF INTANGIBLE ASSETS**  
**30 JUNE 2010**

	Cost / Revaluation						Accumulated Amortisation					Carrying Value R
	Opening Balance R	Additions R	Disposals R	Under Construction R	Transfers R	Closing Balance R	Opening Balance R	Depreciation R	Disposals R	Transfers R	Closing Balance R	
Intangible assets												
Water rights	2,360,000	-	-	-	-	2,360,000	465,030	2,418	-	-	467,448	2,360,000
Software and program	465,030	219,695	-	-	-	684,725	-	-	-	-	467,448	217,277
	2,825,030	-	-	-	-	3,044,725	465,030	2,418	-	-	467,448	2,577,277
Total	5,258,331,220	84,059,832	(4,294,260)	31,249,707	-	5,369,346,499	2,356,811,297	101,142,708	(3,812,491)	-	2,454,141,514	2,915,204,985

**UNAUDITED APPENDIX C**  
**OVERSTRAND MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010**

	Accumulated Depreciation									Carrying Value R	
	Cost				Depreciation						
	Opening Balance R	Additions R	Under Construction R	Disposals R	Closing Balance R	Opening Balance R	Depreciation R	Disposals R	Closing Balance R		
Finance & Admin	534,984,824	2,900,587	-	(391,456)	(214,129)	537,279,826	17,913,688	13,797,502	(258,521)	(10,000)	
Planning & Development	-	15,903,955	-	-	-	15,903,955	-	-	-	31,442,669	
Community & Social Services	82,457,930	127,234	-	-	-	82,585,164	21,621,314	4,495,180	-	15,903,955	
Sport & Recreation	5,731,750	1,166,830	-	-	-	6,898,580	3,144,233	-	-	26,116,494	
Environmental Protection	77,028,309	-	-	-	-	77,028,309	-	-	-	3,144,233	
Waste Management	826,212,045	15,132,181	1,769,362	-	-	843,113,588	409,792,095	-	-	3,754,347	
Road Transport	1,628,506,488	9,672,141	11,088,161	-	-	1,649,286,790	707,355,133	15,967,823	-	77,028,309	
Water	1,192,409,117	11,873,460	17,923,780	(3,902,804)	-	1,218,303,593	34,384,624	34,384,624	-	425,759,918	
Electricity	908,175,726	27,283,445	468,404	-	-	935,927,575	14,955,397	(3,553,970)	-	417,353,670	
Total	5,255,506,189	84,059,833	31,249,707	(4,284,260)	(214,129)	5,366,307,340	2,356,346,265	101,140,290	(3,812,491)	(10,000)	
										2,453,664,064	
										2,912,643,276	

**UNAUDITED APPENDIX D**

**OVERSTRAND MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL  
PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010**

Income R	2009 Actual Expenditure R	2009 Actual (Deficit) R	2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R		
						2009	2010
21,224,879	11,765,290	9,459,589	Executive & Council	23,249,491	44,623,011	(21,373,520)	
131,079,530	52,800,660	78,278,870	Finance & Admin	134,603,786	112,182,392	22,421,394	
4,626,022	18,834,346	(14,208,324)	Planning & Development	40,334,977	27,449,245	12,885,732	
1,479,849	27,915,437	(26,435,588)	Community & Social Services	1,411,181	25,375,467	(23,964,286)	
6,669,363	12,069,735	(5,400,372)	Housing	18,702,679	14,569,911	4,132,768	
7,714,877	27,131,402	(19,416,525)	Public Safety	6,399,114	28,923,203	(22,524,089)	
5,532,525	14,504,910	(8,972,385)	Sport & Recreation	6,771,298	16,073,294	(9,301,996)	
134,290	4,388,489	(4,254,199)	Environmental Protection	132,744	7,720,838	(7,588,094)	
31,651,252	32,140,090	(488 838)	Solid Waste Management	36,401,020	31,799,478	4,601,542	
32,056,044	34,655,902	(2,599 858)	Waste Management	43,542,566	37,697,041	5,845,525	
43,987	48,866,091	(48,822,104)	Road Transport	1,707,411	61,747,741	(60,040,330)	
67,000,042	68,264,022	(1,263,980)	Water	77,420,350	85,556,799	(8,136,449)	
113,210,672	116,436,206	(3,225,534)	Electricity	155,263,687	142,604,777	12,658,910	
<b>422,423,332</b>	<b>469,772,580</b>	<b>(47,349,248)</b>	<b>Sub-Total</b>	<b>545,940,304</b>	<b>636,323,197</b>	<b>(90,382,893)</b>	
0	(70,001,560)	70,001,560	Less: Inter-departemental Charges	(80,501,800)	80,501,800		
<b>422,423,332</b>	<b>399,771,020</b>	<b>22,652,312</b>	<b>Total</b>	<b>545,940,304</b>	<b>555,821,397</b>	<b>(9,881,093)</b>	

**UNAUDITED APPENDIX E(1)**  
**OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (REVENUE AND EXPENDITURE) FOR THE**  
**YEAR ENDED 30 JUNE 2010**

<b>REVENUE</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>
	<b>Actual R</b>	<b>Budget R</b>	<b>Variance R</b>	<b>Variance %</b>
Property rates	121,922,911	120,829,900	1,093,011	1
Service charges	292,633,636	293,754,590	(1,120,954)	(0)
Property rates - penalties imposed and collection charges	827,811	940,000	(112,189)	(12)
Rental Income	5,842,353	6,452,800	(610,447)	(9)
Public contributions, donated and contributed	8,467,833	17,743,000	(9,275,167)	(52)
Fines	2,528,628	3,263,800	(735,172)	(23)
Licences and permits	1,410,817	1,585,300	(174,483)	(11)
Government grants	56,652,174	63,482,763	(6,830,589)	(11)
Other income	23,444,737	10,496,121	12,948,616	123
Interest received- investment	4,956,885	5,601,175	(644,290)	(12)
<b>Total Revenue</b>	<b>518,687,784</b>	<b>524,149,449</b>	<b>(5,461,665)</b>	<b>(1)</b>
<b>EXPENDITURE</b>				
Employee related costs	156,843,819	154,821,490	(2,022,329)	(1)
Remuneration of Councillors	4,529,711	4,595,540	65,829	1
Depreciation, impairment and amortisation	101,142,706	108,750,521	7,607,815	7
Impairment loss	117,000	-	(117,000)	
Finance Costs	19,294,616	16,896,771	(2,397,845)	(14)
Debt impairment	9,507,272	2,000,000	(7,507,272)	(375)
Repairs and maintenance	48,925,451	52,026,877	3,101,426	6
Bulk purchases	78,005,896	81,285,000	3,279,104	4
Contracted services	14,461,156	15,327,513	866,357	6
Grants and subsidies paid	11,817,760	14,000,000	2,182,240	16
General expenses - other (including abnormal expenses)	110,827,156	135,239,172	24,412,016	18
<b>Total Expenditure</b>	<b>555,472,543</b>	<b>584,942,884</b>	<b>29,470,341</b>	<b>5</b>
Gain on disposal of assets	7,046,456	-	(7,046,456)	
Fair Value Adjustment	19,857,210	-	(19,857,210)	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>(9,881,093)</b>	<b>(60,793,435)</b>	<b>(50,912,342)</b>	

**UNAUDITED APPENDIX E(2)**  
**OVERSTRAND MUNICIPALITY: ACTUAL VS. BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2010**

	2010 Actual R	2010 Budget R	2010 Variance R	2010 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
<b>Land</b>					
Land	-	-	-	0	
<b>Buildings</b>					
Community Buildings	11,920,471	12,063,600	(143,129)	-1%	
<b>Infrastructure</b>					
Roads	18,496,562	18,076,279	420,283	2%	
Sewerage	6,760,682	6,860,070	(99,388)	-1%	
Electricity	26,575,762	28,811,819	(2,236,057)	-8%	Roll over projects to 2010/2011
Water	16,983,788	17,896,408	(912,620)	-5%	
Stormwater drains	7,307,015	7,369,410	(62,395)	-1%	
Solid Waste Disposal	5,993,432	6,273,708	(280,276)	-5%	
Security measures	199,708	199,708	-	0%	
	<b>82,316,949</b>	<b>85,487,402</b>	<b>(3,170,453)</b>	<b>-4%</b>	
<b>Community Assets</b>					
Recreational facilities	1,166,830	1,167,806	(976)	0%	
Low Cost Housing	8,117,567	10,995,220	(2,877,653)	-35%	Earlier project delays
Local Economic Dev.	2,354,103	2,354,103	-	0%	
	<b>11,638,500</b>	<b>14,517,129</b>	<b>(2,878,629)</b>	<b>-36%</b>	
<b>Heritage Assets</b>					
	-	-	-		
<b>Other Assets</b>					
Inventory	589,717	797,369	(207,652)	-35%	Purchases as required
ICT	1,402,450	1,749,173	(346,723)	-25%	Purchases as required
	<b>589,717</b>	<b>797,369</b>	<b>(207,652)</b>	<b>-35%</b>	
<b>Total</b>	<b>106,465,637</b>	<b>112,865,500</b>	<b>(6,399,863)</b>	<b>-6%</b>	

**UNAUDITED APPENDIX F**

**OVERSTRAND MUNICIPALITY: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant and Subsidies Received												Quarterly Expenditure												Reason for non-compliance			
Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reason for delay withholding of funds				Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act				Reason for non-compliance					
		June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Yes / No								
FMG	Nat Treasury	500,000	-	-	-	750,000	884,531	-	-	750,000	-	-	-	-	-	-	-	-	Y								
MSIG	Nat Treasury	400,000	-	-	-	400,000	397,098	-	-	400,000	-	-	-	-	-	-	-	-	Y								
Library	PAWC	505,419	-	-	-	556,000	505,419	-	-	556,000	-	-	-	-	-	-	-	-	Y								
Community Dev. Workers	PAWC	96,000	-	-	-	96,000	96,000	-	-	96,000	-	-	-	-	-	-	-	-	Y								
Prov Road Subsidy	PAWC	16,000	-	-	-	150,000	-	150,000	-	16,000	-	-	-	-	-	-	-	-	Y								
Housing Consumer Education	PAWC	150,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Y								
Cleanest Town Competition	PAWC	40,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Y								
Social Housing	PAWC	2,176,726	-	-	-	12,392,040	6,132,042	-	-	130,545	-	-	-	-	-	-	-	-	Y								
MG Projects	PAWC	10,058,000	-	-	-	15,894,000	14,188,000	-	-	34,990	-	-	-	-	-	-	-	-	Y								
INEG - Electricity	DME	-	-	-	-	1,921,000	-	-	-	11,930,655	-	-	-	-	-	-	-	-	Y								
NDPG - LED	PAWC	297,000	-	-	-	2,263,663	-	-	-	1,921,000	-	-	-	-	-	-	-	-	Y								
Masimimbane Project	DWAF	-	-	-	-	-	-	-	-	2,263,663	-	-	-	-	-	-	-	-	Y								
Multi Purpose Centre	PAWC	-	-	-	-	1,031,470	-	-	-	616,419	-	-	-	-	-	-	-	-	Y								
		14,239,145	-	-	-	34,422,703	23,919,946	-	-	-	-	-	-	-	-	-	-	-									